NORTHERN STAR
RESOURCES LIMITED


# Annual Report 2022

# Acknowledgement of Country

Northern Star would like to acknowledge and pay our respects to Traditional Owner groups, upon whose land our operations in Australia are situated.

- Whadjuk Noongar
- Marlinyu Ghoorlie
- Maduwongga
- The Wiluna Martu
- Darlot
- Nyalpa Pirniku
- Kakarra
- Kultju
- Tjiwarl
- Wajarri Yamatji
- Warlpiri, Gurindji and Jaru

Northern Star would like to acknowledge and pay our respects to the Athabascan people, upon whose ancestral lands our Pogo Operation in Alaska, is situated.

We seek and value the guidance and input of these indigenous groups in the operation of our business. We acknowledge their strong and special physical and cultural connections to their ancestral lands on which we are privileged to operate.

# Who We Are

Northern Star is one of the world's ten largest gold miners, with operating mines and exploration programs in Western Australia and Alaska.

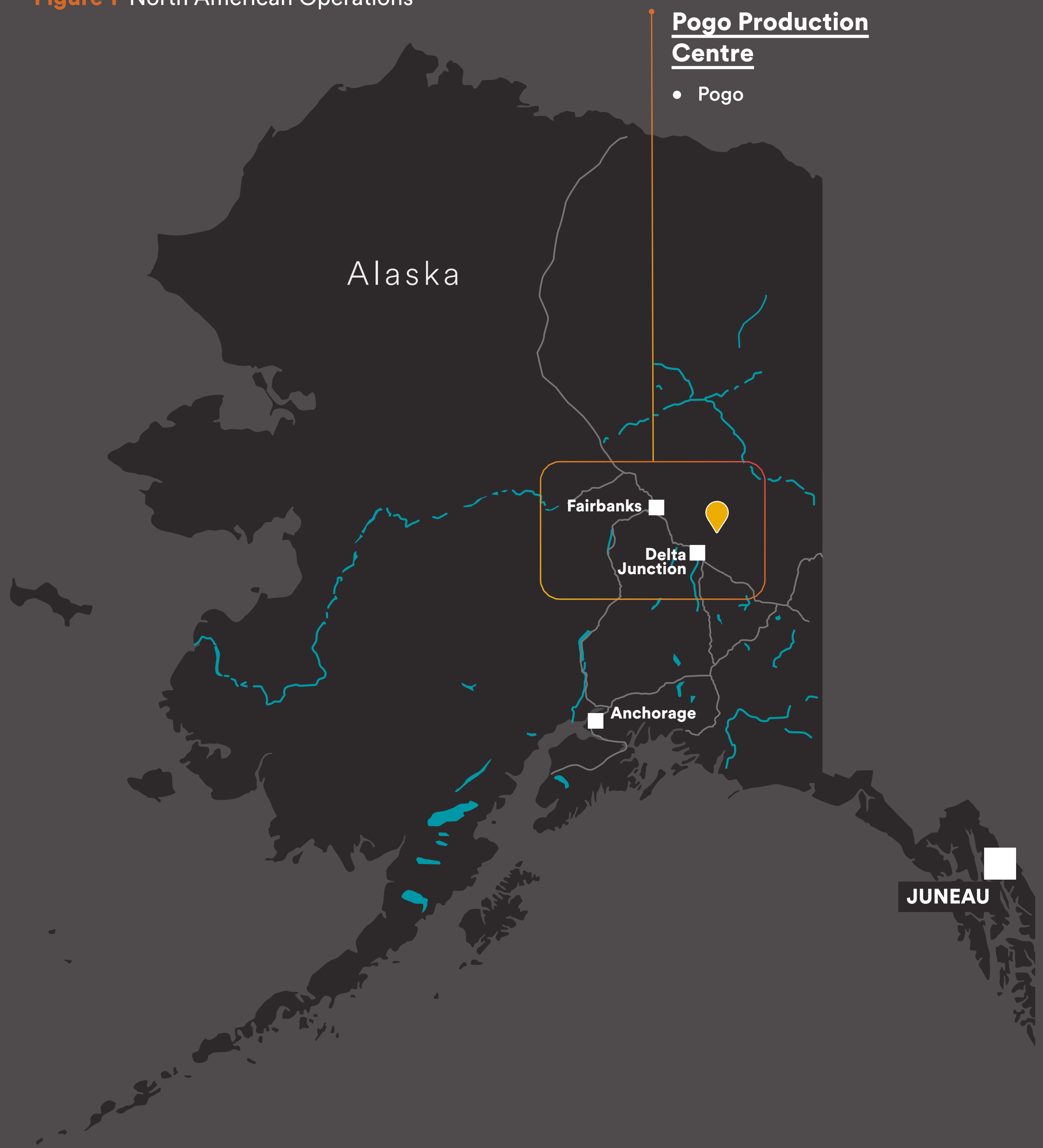
# Our Purpose

To generate superior returns for our shareholders, while providing positive benefits for our stakeholders, through operational effectiveness, exploration and active portfolio management.

# Where We Operate

We own and operate three high-quality gold production centres: Kalgoorlie, Yandal and Pogo, all located in world class jurisdictions.[1]

**Figure 1** North American Operations



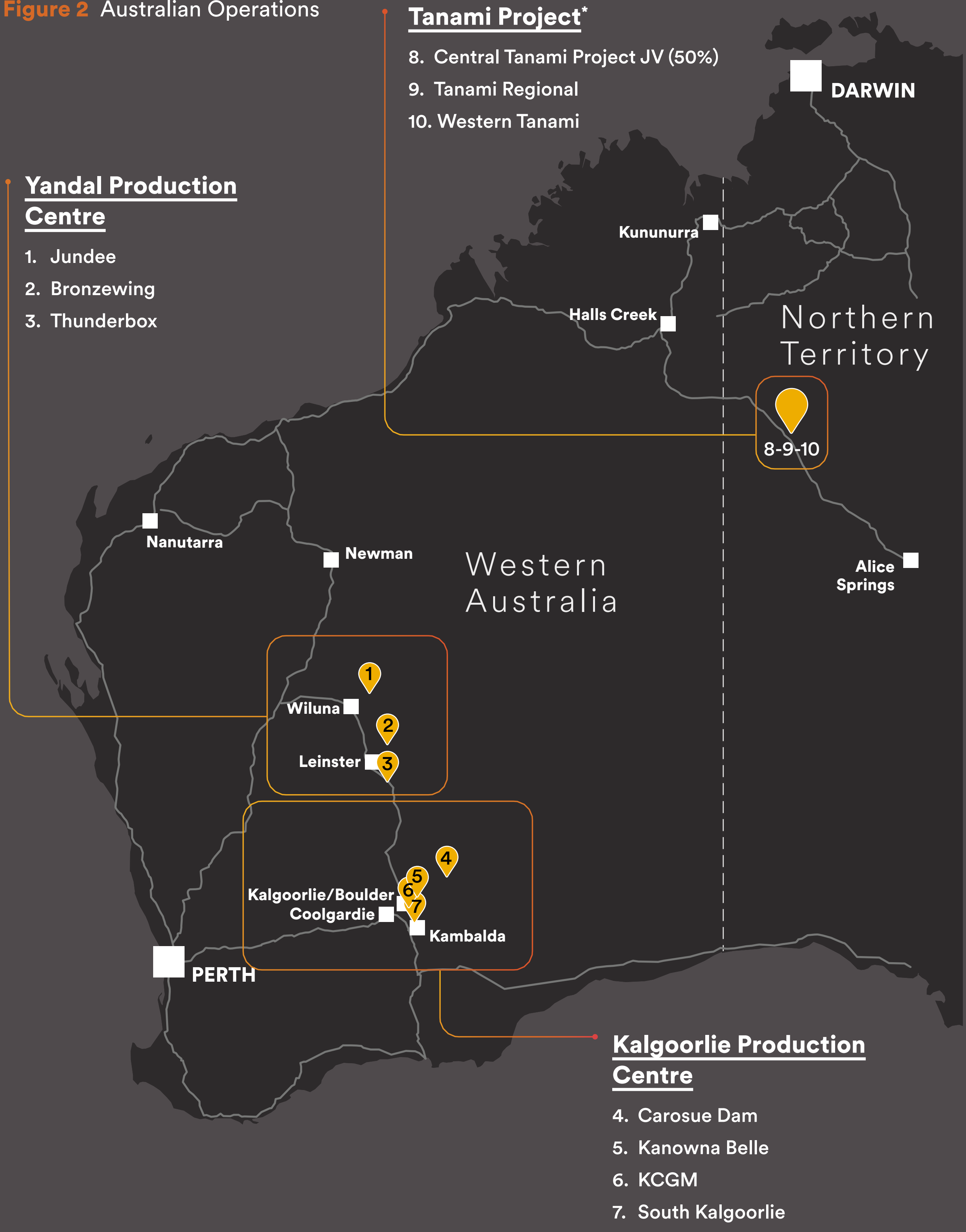

1. Fraser Institute Annual Survey of Mining Companies 2021, Investment Attractiveness Index ranks Western Australia as 1st and Alaska as 4th in the world (up from number 4 and 5 in 2020, respectively). For more information see the full survey at https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2021.pdf







**Figure 2** Australian Operations




* Paulsens and Western Tanami assets were divested on 15 June 2022, see ASX Announcement: https://www.nsrltd.com/investor-and-media/asx-announcements/2022/june/northern-star-completes-paulsens-and-western-tanam.

# Operational Highlights

Strong FY22 results achieved notwithstanding significant external operating challenges.

**Cash Earnings**

$1.0B

up 58% from FY21 (Underlying EBITDA less sustaining capital, net interest & corporate tax)

**Revenue**

$3.7B

up 35% from FY21

**Underlying EBITDA**

$1.5B

up 31% from FY21

**Liquidity**

$1.5B

**Cash and bullion**

$628M

**Declared dividends**

$250M

total FY22 dividends declared (interim & final)

**Group Resources**

56.4 Moz

Mineral Resources stable despite mining depletion & portfolio optimisation

**Group Reserves**

20.7 Moz

Ore Reserves stable despite mining depletion & portfolio optimisation

**Organic growth**

+1 Moz

Organic growth in Mineral Resources at both Pogo and KCGM







# ESG Highlights

For more information on our ESG performance, see our FY22 Sustainability Report at https://www.nsrltd.com/sustainability.

**ESG**

0 incidents

Nil community or heritage incidents; nil fatalities

**Emissions Reduction target**

↓35% by 2030

Scope 1 and 2 absolute Emissions relative to 1 July 2020 baseline of 931kt$CO_2$-e

**Economic value add**

$3.35B

direct and indirect economic value add

**Local spend**

75%

Group procurement in WA; 24% Group spend in local regions

**Local employment**

60%

of total workforce local

**Female employees**

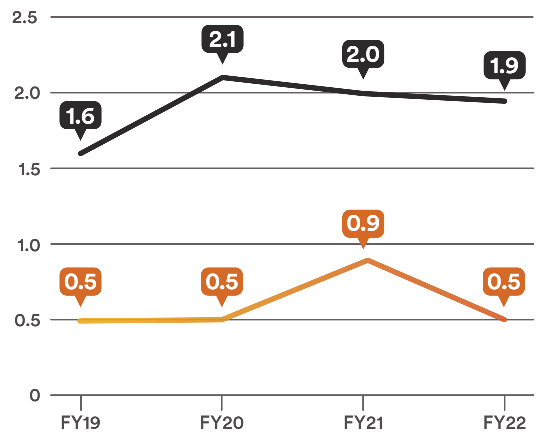
23%

4% above Industry average

**Safety – LTIs**

LTIFR 0.5

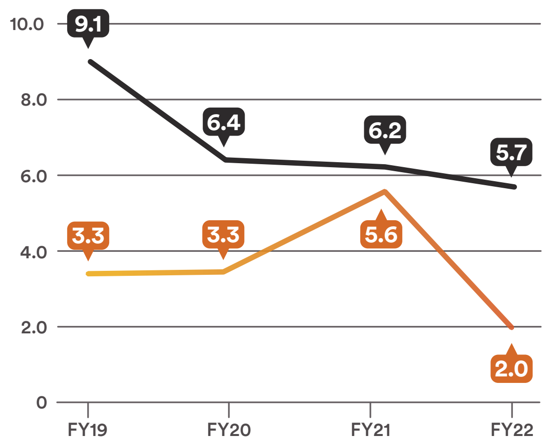
Approximately ¼ of Industry average




**Safety – LTIs + RWIs**

TRIFR 2.0

Approximately ⅓ of Industry average




Northern Star    Industry average

# Letter from the Managing Director & CEO and Chairman

**Dear shareholder,**

On behalf of the Board of Directors of Northern Star Resources Ltd, we are delighted to present to you the Annual Report for the financial year ended 30 June 2022.

During the year we saw extraordinary efforts applied to manage a very challenging and dynamic period for our workforce in Australia and the US. We experienced cost pressures across the operations (notably in relation to labour, steel, fuel and energy) and continuing skill shortages. The COVID-19 disruption continues to impact workforce numbers and we adjust our plans accordingly. These impacts are being experienced globally. Our outlook remains positive with significant progress made to continue our profitable growth plans.

The safety and wellbeing of our people is integral to our success. Our outstanding safety performance with a TRIFR of 2.0 is clear evidence of continual safety improvement, consistent with the STARR Core Values of Safety, Teamwork, Accountability, Respect and Results in one of the most challenging operational environments the Company has been through.

We have advanced the rights of Indigenous people and the need for their active participation in matters that affect them. It is clear from our recent discussions that Traditional Owners of the land on which we operate want to work in partnership with Northern Star to develop sustainable, long-term employment and business development opportunities. We are working together to improve the opportunities and change lives for the better in the communities in which we operate.

Northern Star is in a strong position, with gold sold of 1.56 million ounces in FY22, generating Cash Earnings of over $1 billion. At 30 June 2022 we held cash and bullion of $628 million and liquidity of $1.5 billion all underpinned by a solid platform of 56.4 million ounces Mineral Resources and 20.7 million ounces Ore Reserves. Interim and final dividends paid to our shareholders totalled $227.1 million this year.

We are a sustainable, self-funded business currently focused on opportunities to lower the costs of production, simplify the business with the purpose of generating superior returns for our shareholders, and progressing projects to achieve reduction in reliance on carbon based energy sources. We have three large scale production centres in world class locations, and we are increasing mine life in our existing mines and investing in expansions and new fleets to maximise efficiencies.

Key to this all is the significant effort and delivery from our workforce during FY22. Our operational teams across Kalgoorlie, Yandal and Pogo have met the challenge to deliver a significantly stronger business with a bright outlook.

On behalf of the Board, we hope you enjoy reading this Report, and we thank you for your support as a shareholder.

Yours sincerely

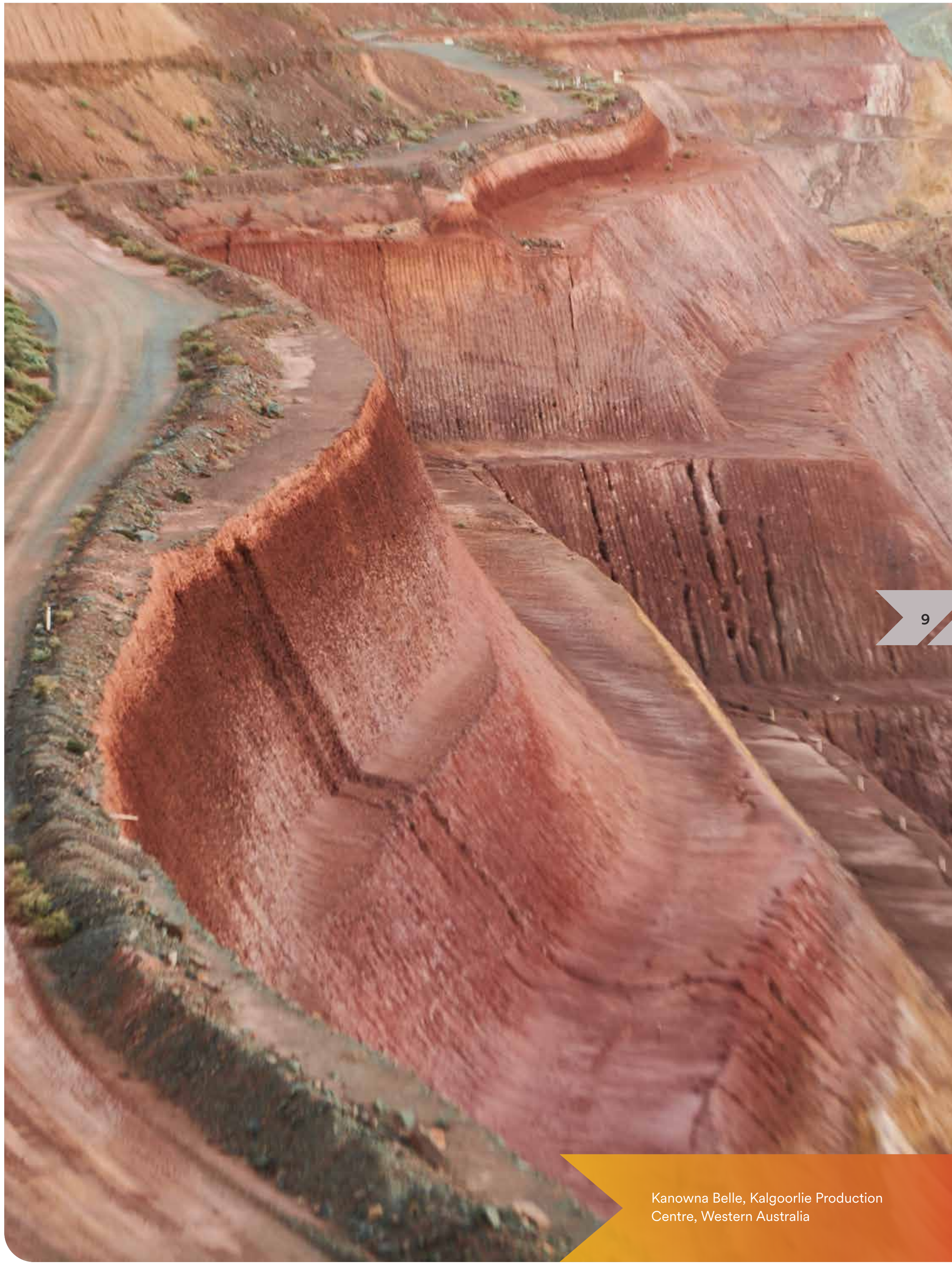
**Stuart Tonkin**
Managing Director & CEO

**Michael Chaney AO**
Chairman









Kanowna Belle, Kalgoorlie Production Centre, Western Australia

# STARR Core Values

Our Core Values are integral to the working lives of all our workers and operations.


**Forward Looking Statements**

Northern Star Resources Limited has prepared this Report based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this Report. To the maximum extent permitted by law, none of Northern Star Resources Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this Report or its contents or otherwise arising in connection with it.







# In This Report

# Leadership Team

## Stuart Tonkin

### Managing Director & CEO – commenced 2013

Mr Tonkin is a mining engineer with more than 25 years' experience working in the underground hard-rock mining industry. He was appointed Chief Executive Officer of Northern Star in November 2016 and had been the Company's Chief Operating Officer since 2013. Mr Tonkin was appointed Managing Director on 22 July 2021. Prior to joining Northern Star, he was Chief Operating Officer for mining contractor Barminco, and a Non-Executive Director of African Underground Mining Services Ghana. He has extensive experience in the production of gold, copper, zinc and nickel and has held senior operational positions with Oxiana and Newmont in Western Australia.

Mr Tonkin holds a Bachelor of Engineering (Mining) Degree with Honours from the Western Australian School of Mines and WA First Class Mine Managers Certificate.

## Ryan Gurner

### Chief Financial Officer – commenced 2015

Mr Gurner is a Chartered Accountant with extensive financial and commercial experience spanning over 20 years' across Australia, Asia and Europe. Prior to joining Northern Star, Mr Gurner was the CFO and Company Secretary of ASX & TSX listed RTG Mining Limited. Previously he has performed senior financial roles at Sakari Resources Limited, a SGX listed top 50 company, ASX listed Mincor Resources Limited and was Manager at PwC Perth and London Offices.

Mr Gurner was re-appointed Chief Financial Officer of Northern Star in December 2021 after previously being in the CFO role prior to the merger with Saracen in February 2021.

Mr Gurner holds a Bachelor of Science Degree with Honours and a Bachelor of Commerce Degree.

## Simon Jessop

### Chief Operating Officer – commenced 2021

Mr Jessop is a mining engineer with over 25 years' of technical and operational experience in the mining industry covering underground and open pit operations throughout Australia. Prior to joining Northern Star, Mr Jessop was COO at Saracen and has held numerous General Manager roles for Evolution Mining.

Previous roles have included Operations Manager at Panoramic Resources at Lanfranchi Nickel Project, Manager of Projects at Panoramic Resources, Project Manager – Agnew and Cosmos for Byrnecut Australia Pty Ltd as well various other roles throughout his tenure.

Mr Jessop studied at the WA School of Mines in Kalgoorlie achieving a Bachelor of Engineering (Mining) as well as a Bachelor of Science (Mine and Engineering Surveying). Mr Jessop holds of a First Class Mine Managers Certificate of Competency.

## Steven McClare

### Chief Technical Officer – commenced 2021

Mr McClare is a mining engineer with over 30 years' of technical, operational and project experience. His extensive career includes major Australian mining companies OZ Minerals, Newcrest Mining, Newmont Mining, Normandy Gold and Mount Isa Mines, in addition to five years as Managing Director of ASX listed Hillgrove Resources, building multi billion dollar caving projects at Telfer and Cadia Valley as well as bringing mines from design through to production. His most recent role was Chief of Australian Operations with OZ Minerals and prior to that he was their Chief Technical Officer.

Mr McClare's role at Northern Star provides both technical & people leadership and supporting the efficient delivery of long-term company strategy, group projects and North American Operations.

Mr McClare studied at the WA School of Mines in both Collie and Kalgoorlie achieving a Bachelor of Engineering (Mining with Hons) and a First Class Mine Managers Certificate of Competency.

## Michael Mulroney

### Chief Development Officer – commenced 2015

Mr Mulroney is a resource industry professional with over 40 years' of technical, corporate management and board experience across several investment banks and ASX listed companies, gaining extensive experience in exploration, development, project finance and mergers & acquisition within the global resources sector.

Commencing with Northern Star in 2015 as Chief Geological Officer, his previous roles include senior executive and board experience across both gold, base metals and energy sectors.

Mr Mulroney holds a Bachelor of Applied Science (Geology) and Master of Business Administration degrees from Curtin University.

## Hilary Macdonald

### Chief Legal Officer & Company Secretary – commenced 2016

Ms Macdonald is a lawyer with over 30 years' experience in private practice and industry with particular focus on corporate and mining law.

Prior to her appointment as Northern Star's General Counsel in 2016 with executive responsibility for legal, Ms Macdonald has provided legal services to Northern Star continuously since 2009, commencing with the acquisition of the Paulsens gold operations.

Ms Macdonald was appointed Chief Legal Officer in 2021 and Company Secretary in 2018.

In addition Ms Macdonald has executive responsibility for Environment, Social Performance and ESG engagement.

A Law Graduate of Bristol University, England, Ms Macdonald qualified as a solicitor in London and was admitted to the Supreme Court of England and Wales in 1990, and to the Supreme Court of Western Australia in 1995.







## Daniel Howe

### Chief Geological Officer – commenced 2021

Mr Howe is a Geologist with 20 years' experience, with a variety of leadership roles in open pit and underground operations covering both gold and nickel.

Mr Howe held a number of senior operational roles covering both underground and open pit mines with Gold Fields Australia, before joining Saracen in 2011 as Geology Manager – Production and Resources. Mr Howe was promoted to General Manager of Geology & Exploration at Saracen in 2013, before becoming Chief Geologist in 2015. Post merger in 2022 he was appointed as Chief Geological Officer.

Mr Howe studied at Queensland University of Technology achieving a Bachelor of Applied Science (Geoscience) and at The University of Western Australia achieving a Bachelor of Science (Geology) Hons.

## Marianne Dravnieks

### Executive Manager People & Culture – commenced 2021

Ms Dravnieks is a senior Human Resources professional with over 30 years' of experience in a variety of roles working in resources, FMCG and services industries including organisations such as Alcoa, Perilya, Focus Minerals and Lion Pty Ltd as well as her own consulting business. She has a passion for engaging and aligning people within businesses to achieve outstanding results.

In 2018 Ms Dravnieks was recruited as General Manager - People, Culture & Communications of Saracen, and on merger with Northern Star in February 2021 appointed Executive Manager People & Culture. She leads, and provides strategic management and support on, people, culture and internal communications.

Ms Dravnieks holds a Masters Degree in Leadership & Management and a Graduate Certificate in Business from Curtin University, a Diploma in Positive Psychology and is an AICD Company Director's Course Graduate.

## Sophie Spartalis

### General Manager Investor Relations – commenced 2021

Ms Spartalis has over 20 years' experience working in equity markets, primarily across the mining and materials sector. Prior to her appointment with Northern Star as General Manager – Investor Relations in November 2021, she was a Director at Bank of America where she acquired a wealth of knowledge of financial analysis/valuation, strategy and extensive industry knowledge, along with awareness of institutional shareholder behaviours. Ms Spartalis was a top ranked sell-side equity research analyst receiving many industry awards, including Starmine Award for Top Stock Picker (Metals and Mining) in 2019. Combined with an Engineering and Management Consulting background, Sophie has a unique, broad and valuable skill set.

Ms Spartalis holds a Bachelor of Engineering and a Bachelor of Science with 1st Class Honours from the University of Western Australia.

## Steven Van Der Sluis

### General Manager – NSMS – commenced 2014

Mr Van Der Sluis has over 30 years experience in underground mining, working for industry leading companies such as Henry Walker Eltin, Byrnecut and Barminco. Starting as an Operator and quickly moving into a leadership role, for the past 15 years Mr Van Der Sluis had fulfilled Project Manager and Operations Manager roles working on a multitude of projects across Australia and internationally.

Mr Van Der Sluis commenced with Northern Star in 2014 at Paulsens, and was appointed Operations Manager in 2017 and General Manager in 2018. Since commencing with the Company, Mr Van Der Sluis has been integral to expansion of the mining services subsidiary of Northern Star, including the managing of the underground mining services during the acquisition of EKJV, Kanowna Belle, Pogo and South Kalgoorlie and new sites such as Millennium and most recently Ramone.

## Daniel Boxwell

### Operations Manager – NSMS – commenced 2015

Mr Boxwell is a Mining Engineer with over 12 years in underground mining both in Australia and overseas. After graduating with a Bachelor of Engineering from the West Australian School of Mines (WASM), Mr Boxwell worked for both Orica Mining Services and Barrick Gold before commencing with Northern Star in 2015.

During his time with Northern Star, Mr Boxwell has held various roles across both technical and operational areas. Starting off as a Mining Engineer at Plutonic & Jundee, he quickly transitioned into operational roles with Northern Star Mining Services (NSMS) working as a Shift Supervisor, Mine Foreman & Project Manager. Now as the Operations Manager at NSMS, Mr Boxwell oversees the underground mining services of 6 operations in both Australia and Alaska.

## Denis Sucur

### Maintenance Manager – NSMS – commenced 2012

Mr Sucur learnt his trade in the mining industry and now has over 21 years experience in the underground mining services both in Australia and overseas and is a specialist in underground mobile fleet maintenance. Prior to commencing with Northern Star Mining Services in 2012, he held leadership roles in several underground mining services companies.

Initially commencing as a Leading Hand at Paulsens, Mr Sucur has progressed in his career whilst at Northern Star, having occupied Maintenance Foreman and Maintenance Coordinator roles prior to being appointed Maintenance Manager in 2021. In his current role, Mr Sucur oversees all maintenance services for Northern Star Mining Services across Australia and Alaska.

# Operating and Financial Review

# Operations Review

This Operating and Financial Review outlines key information on our FY22 operations, financial position, and our business strategies and prospects for future financial years. It supplements, and should be read in conjunction, with our Financial Report.

Our efforts during FY22 while facing external market challenges plus managing COVID-19 and integrating the assets under one Northern Star have created an enviable and extremely strong platform for us to realise and deliver on our five-year growth strategy in FY26.

Northern Star maintains focus on the organic growth of our assets through targeted exploration programs and expanding the operating lives of our existing operations to generate superior returns for shareholders. To progress achievement of our Net Zero Ambition, in FY22 our technical teams focused on assessing our current operating methods for effectiveness, efficiency and possible adaptions in favour of emission reducing techniques. Northern Star is committed to its Net Zero Ambition. More information is available in Northern Star's FY22 Sustainability Report at https://www.nsrltd.com/sustainability.

Exploring potential acquisitions and investing in exploration to unlock value from the gold endowment across our highly prospective ground, located exclusively in the low sovereign-risk jurisdictions of Australia and North America, remains the Company's strategy for growth.



## FY22 Operations Review

Northern Star has had an exceptional year of significant safety performance improvement, along with strong production. The TRIFR of 2.0 is an outstanding result, well below industry and achieved in a dynamic, challenging operational environment.

The performance of the Western Australian production centres of Kalgoorlie (including KCGM) and Yandal delivered FY22 production and cost guidance. Production performance at our Pogo Operation located in Alaska, USA substantially improved, with a milestone run rate of 250kozpa achieved in H2 of FY22. The Group met the gold production and cost guidance for the year while still facing significant external operating challenges.

In addition to our strong production results, in FY22 we delivered on our Purpose to generate superior shareholder returns through active and disciplined portfolio management, demonstrated by:

- the acquisition of a 50% interest in the 110MW Parkeston Power Station[1] and associated infrastructure which adds significant operating flexibility and will assist integration of renewables at KCGM; Jundee and Thunderbox. This is due to three key factors: firstly the operations are now interconnected via a gas pipeline, secondly the ability to import was increased 65% to 52MW and thirdly the ability to export (commercial sale) as a retailer; and
- consolidation of our asset portfolio with the divestment of non-core assets:
  - the EKJV, Kundana and Carbine assets for $402M on 18 August 2021[2]; and
  - the Western Tanami and Paulsens projects for $44.5M on 15 June 2022[3].

1. For more information see our website: https://www.nsrltd.com/investor-and-media/asx-announcements/2021/november/northern-star-agrees-to-purchase-newmont-power-bus.
2. See ASX announcement for more information https://www.nsrltd.com/investor-and-media/asx-announcements/2021/august/kundana-asset-sale-completes.
3. See ASX Announcement for more information: https://www.nsrltd.com/investor-and-media/asx-announcements/2022/april/northern-star-divests-paulsens-and-western-tanami-.





The FY22 exploration program was successful in replacing Mineral Resources and Ore Reserves, as depleted by mining activity and reduced by non-core asset divestments. Group Resources were maintained at 56.4Moz, and Reserves at 20.7Moz over the 9-month period to 31 March 2022 post depletion. Maintaining an enviable resource and reserve statement is crucial to Northern Star achieving our five-year strategy announced in July 2021 to grow production to 2Moz per annum by FY26. In the first year of the strategy we delivered significant progress towards securing the profitable growth pathway:

- Kalgoorlie Production Centre: Material movement at KCGM increased 10% to 66Mtpa (vs FY26 target of 80-100Mtpa). This material movement is critical to the long-term development of our largest and longest life asset in KCGM;
- Yandal Production Centre: During FY22 the Thunderbox mill expansion project remained on track and within budget; and
- Pogo Production Centre: The Mill expansion was completed, mine ramp-up is progressing with additional stope mining fronts coming online.

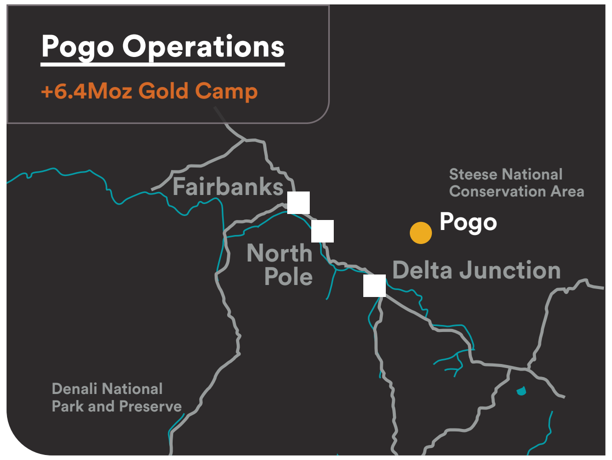
**The enlarged Northern Star portfolio has achieved a positive step change in safety performance along with meeting FY22 production and cost guidance. This has occurred in a year that has seen extraordinary challenges, not only for Northern Star but the industry as a whole, and is testament to our hardworking teams.**

**Table 1** Mine Operations Review

| Metrics[4] | Jundee | Thunderbox | KCGM | Kalgoorlie (ex KCGM) | Carosue Dam | Pogo | Total |
|---|---|---|---|---|---|---|---|
| **Total Material Mined (tonnes)** | 3,644,865 | 4,099,528 | 8,834,385 | 2,300,810 | 4,486,256 | 1,002,707 | **24,368,551** |
| **Total Material Milled (tonnes)** | 2,714,898 | 3,055,859 | 13,358,831 | 2,336,085 | 3,780,584 | 1,046,414 | **26,292,672** |
| **Head Grade (gpt)** | 3.9 | 1.5 | 1.4 | 2.6 | 2.1 | 7.4 | **2.1[5]** |
| **Recovery (%)** | 91 | 92 | 84 | 89 | 93 | 86 | **88[5]** |
| **Gold Recovered (Oz)** | 310,225 | 132,502 | 486,001 | 171,027 | 237,625 | 215,671 | **1,553,051** |
| **Gold Sold - Pre-Production (Oz)** | - | 23,893 | 6,052 | - | - | - | **29,945** |
| **Gold Sold – Production (Oz)** | 310,823 | 108,658 | 482,718 | 174,918 | 239,681 | 214,216 | **1,531,013** |
| **Gold Sold (Oz)** | 310,823 | 132,551 | 488,770 | 174,918 | 239,681 | 214,216 | **1,560,958** |
| **All-in Sustaining Cost (A$/Oz)[6]** | 1,295 | 1,817 | 1,426 | 1,949 | 1,785 | 2,068 | **1,633[5]** |

4. EKJV, Kundana and Carbine asset data is only included up and until the point of sale – 18 August 2021. For more information, please see https://www.nsrltd.com/investor-and-media/asx-announcements/2021/august/kundana-asset-sale-completes.
5. Represents the average total for FY22.
6. Pogo all-in sustaining cost has been presented in AUD which is the Group's presentation currency. The AISC in United States Dollars was US$1,498 for the financial year.

## Pogo Production Centre




**0.5**
FY22 LTIFR

**2.2**
FY22 TRIFR

**7,338koz**
Mineral Resources (up 431koz)

**1,808koz**
Ore Reserves (up 310koz)
(at 31 March 2022)

### Production

FY22 performance at Pogo consistently improved quarter on quarter. Gold sold at Pogo totalled 214,216oz which exceeded our FY21 result of 204,041oz. AISC was US$1498/oz (FY21 result US$1,387/oz), with Q4 improved performance and consistency, delivering significantly lower costs when compared to FY22 earlier quarters with reductions in underground mining costs of 25% and processing costs of 13%. This resulted in overall FY22 mine operating cash flow of US$63M, net mine cash flow at US$8M after growth capital of US$55M.

### Exploration

Pogo Mine achieved a 20% increase in Ore Reserves to 1.8Moz at an increased grade of 8.5g/t, highlighting the exceptional geological potential of the Pogo system. In-mine drilling activity at Pogo continued to be challenged by the impact of COVID-19 and labour availability.

A resource definition drilling program was completed at the Goodpaster project with considerable success on a portion of the Goodpaster trend. The program delivered a maiden underground Inferred Mineral Resource estimate, based on 214 diamond drill holes, of 3.2Mt @ 10.3g/t for 1.1Moz of gold.

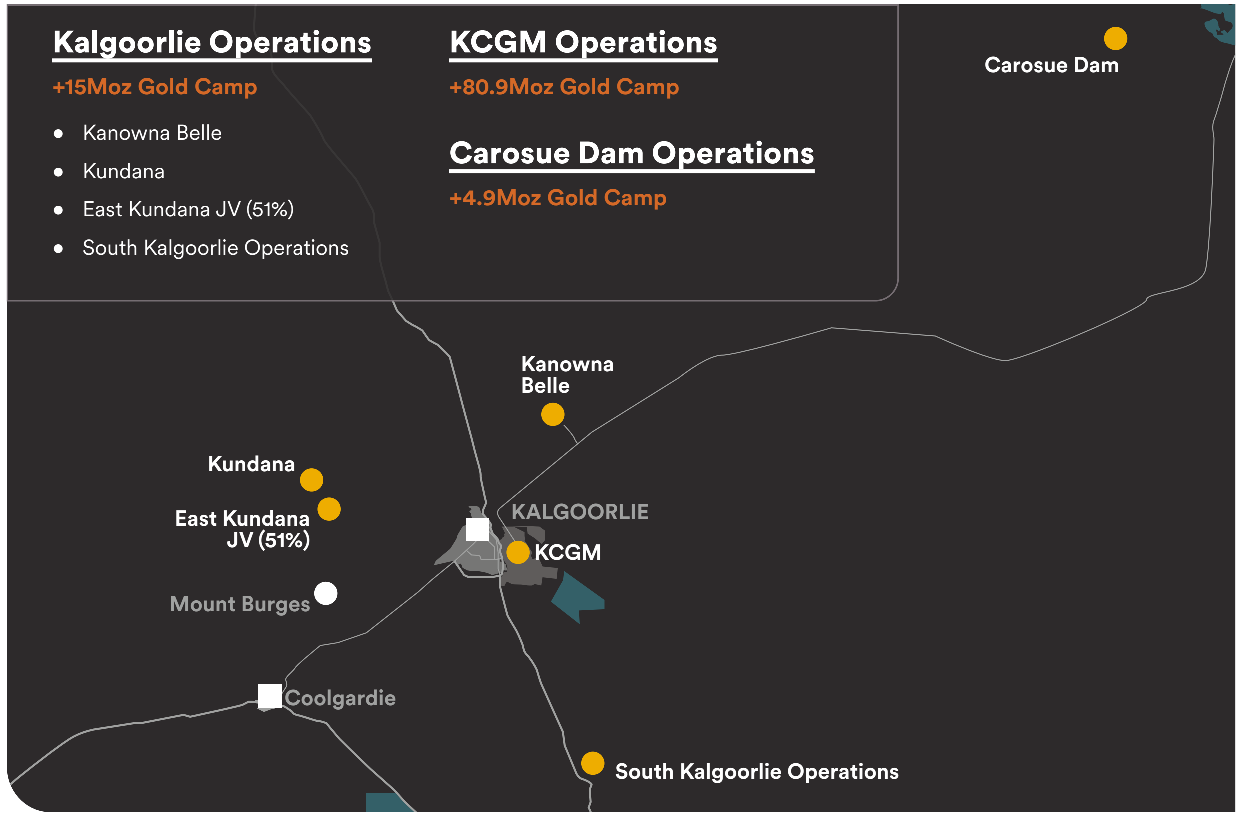

Underground scaling activities, Pogo Operations, Alaska, USA







## Kalgoorlie Production Centre




**0.5**
FY22 LTIFR

**2.2**
FY22 TRIFR

**37,135koz**
Mineral Resources (up 2,065koz, less divestment 2,443koz)

**14,947koz**
Ore Reserves up 563koz, less divestment 579koz) (at 31 March 2022)

### KCGM Operations

The revitalisation made possible under one owner has continued to strengthen the KCGM Operations. FY22 saw production in the open pit increase by 10% to 66Mt (FY21: 60Mt). This increase was achieved by focused mine planning and execution while also completing the open pit fleet replacement program. The significant investment in the new fleet saw 39 new 793F class trucks commissioned, allowing the older trucks, which are now 20 years old, to be retired.

### Production

Production at KCGM remained strong in FY22. Total gold sold in FY22 was 488,770oz which was higher than the previous year (FY21: 472,089oz at 100% interest). FY22 AISC was A$1,426/oz (FY21 $1,385/0z). A potential mill expansion options pre-feasibility study was released in Q4 of FY22 outlining a number of pathways to increase growth in gold production going forward.

### Exploration

In FY22 exploration activity expanded across the KCGM Operations as part of a multi-year growth program announced following the merger. Beneath the surface mining operations at Fimiston South, Brownhill and Morrisons we undertook significant surface resource definition programs and established a new underground access in the Fimiston North area. Drilling from the open pit and the new underground platform increased the Fimiston Underground Mineral Resource by 20% to 65Mt @ 2.3g/t for 5.0Moz. The Mount Charlotte underground operation grew in Reserves to 1.2Moz.

Drilling completed at Mt Ferrum returned several impressive intersections including 11.0m @ 7.2g/t and 4.1m @ 10.0g/t.

Exploration drilling at Mt Percy and Little Wonder has targeted potential bulk tonnage stockwork mineralisation, using "Mt Charlotte-style" drilling orientations, returning some excellent results. This initial exploration drilling has driven a 100% increase in the Mineral Resource to 17.0Mt @ 1.2g/t for 640,000oz.

## Carosue Dam Operations

### Production

The Carosue Dam Operations processed a total 3,780,584 tonnes in FY22, resulting in an increase from the prior year (FY21: 3,611,254 tonnes) and a new processing record for the site. Total ounces of gold sold also increased in FY22 to 239,681oz (FY21: 232,276oz). FY22 AISC was A$1,785/oz (FY21 A$1,311/oz). Overall, the FY22 results demonstrate that the Carosue Dam FY21 mill expansion has been a sound investment and continues to operate well above the design nameplate of 3.2Mtpa.

### Exploration

A focus for exploration drilling during the year was the Qena prospect, with programs successfully outlining a zone of continuous gold mineralisation along the steeply dipping eastern contact of the Atbara monzonite intrusion. This exploration drilling program generated a maiden open pit and underground Mineral Resource totalling 4.3Mt @ 2.2g/t for 310,000oz that remains open in all directions.

## Kalgoorlie Operations[7]

### Production

In FY22 Kalgoorlie Operations sourced ore primarily from the Kanowna Belle and HBJ underground mines. In Q4 South Kalgoorlie experienced a larger than expected mill downtime event impacting available milling time at South Kalgoorlie. The Jubilee mill was placed on care & maintenance in the September 2022 quarter - highlighting the flexibility within Northern Star's portfolio to deliver optimal business outcomes - with ore feed directed to Kanowna Belle and KCGM. While these decisions are difficult and reduce processing capacity in the region from 20Mtpa to 19Mtpa, it does highlight the strength of the integrated business to optimise gold production in order to realise a superior financial result.

Overall, Kalgoorlie Operations delivered lower production of 2,336,085 tonnes in FY22 (FY21: 2,837,351t) with the reduction mainly attributed to the sale of the Kundana assets[8]. The lower production naturally resulted in a reduction in total gold sold in FY22 of 174,918oz (FY21: 256,657oz). FY22 AISC was A$1,949/oz (FY21: A$1,942/oz).

### Exploration – South Kalgoorlie

In-mine exploration drilling at SKO has successfully identified further extensions across the northern area of the mine, which remains open down plunge. Drilling programs in the Mutooroo trend north of the current mining area have returned impressive high-grade results including 17.9m @ 12.2g/t, 3.9m @ 26.7g/t and 6.3m @ 12.3g/t. Resource definition drilling programs across the mine during FY22 resulted in a significant increase in Ore Reserves to 457,000 ounces.

### Exploration – EKJV, Kundana and Carbine

Limited exploration was undertaken at EKJV, Kundana and Carbine due to the sale of Northern Star's interest in these assets which completed on 18 August 2021. For more information, please see https://www.nsrltd.com/investor-and-media/asx-announcements/2021/august/kundana-asset-sale-completes

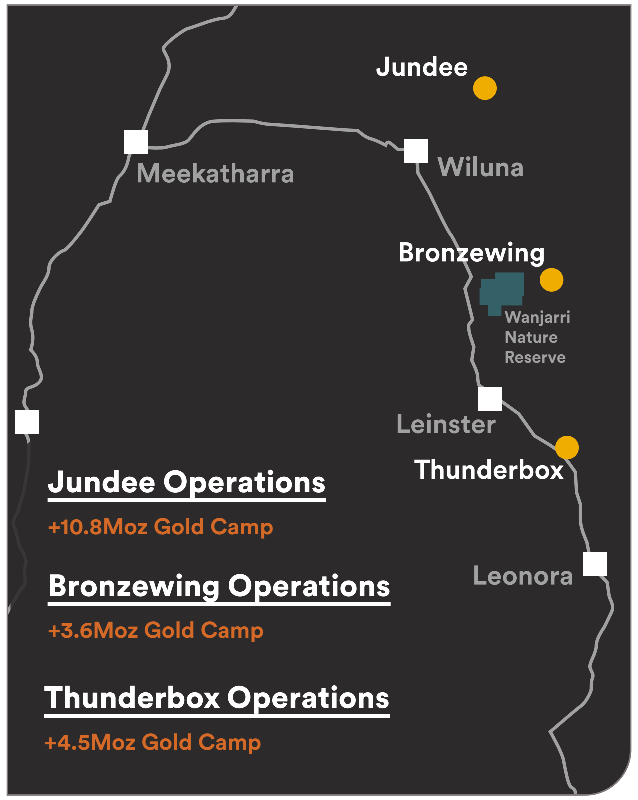
**The Carosue Dam Operations processed a total 3,780,584 tonnes in FY22, resulting in an increase from the prior year (FY21: 3,611,254 tonnes) and a new processing record for the site.**

7. Excludes KCGM and Carosue Dam. EKJV, Kundana and Carbine asset data is only included up and until the point of sale – 18 August 2021.
8. For more information, please see ASX announcement on our website at https://www.nsrltd.com/investor-and-media/asx-announcements/2021/august/kundana-asset-sale-completes.





## Yandal Production Centre




**0.5**
**FY22 LTIFR**

**2.1**
**FY22 TRIFR**

**9,793koz**
**Mineral Resources (down 324koz)**

**3,887koz**
**Ore Reserves (down 602koz)**
(at 31 March 2022)

### Production

Yandal Production Centre had a strong FY22 with a combined mill throughput of 5,770,757 tonnes and total gold sold was 443,374oz at AISC A$1,430/oz. Mine operating cash flow was A$414 million. Net mine cash flow was A$137 million after net growth capital of A$277 million.

Jundee and our satellite mines of Julius and Ramone, had a strong year which was highlighted by high grade ore stoping areas being mined for a new record gold sold under Northern Star ownership of 311koz. It was an outstanding result for an asset that continues to be a benchmark for how large narrow vein gold mines operate worldwide. Processing milled 2,714,898 ore tonnes in FY22 (FY21: 2,493,606t). Total gold sold in FY22 was 310,823oz (FY21: 286,676oz). FY22 AISC was A$1,295/oz (FY21: A$1,278/oz).

FY22 results at Thunderbox improved milled tonnes to 3,055,859 tonnes (FY21: 2,929,566t). Gold sales for FY22 decreased to 132,551oz (FY21: 143,990oz). FY22 AISC was A$1,817/oz (FY21: A$924/oz). The reduction in gold sales was expected because of lower grade ore availability compared to FY21 and was in line with plan. Throughout FY22 key infrastructure developments were installed at Thunderbox to increase capacity of the Thunderbox mill operations from 3Mtpa to 6Mtpa, due to be completed in Q2 FY23. It is a credit to the construction team for the project to so far remain on time and on budget despite COVID-19 and a construction boom in the mining industry.

Other advancements for the Yandal Production Centre included the Julius open pit successfully and safely reaching the bottom of the stage one shell, with high-grade ore mined throughout FY22. At Ramone the development of the underground mine is ahead of schedule.

### Exploration – Jundee Operations

During FY22, exploration across Jundee continued in several areas. Surface exploration was focused on the near surface opportunities in the northern mine area, targeting extensions to the Cook, Keating and Griffin lodes. From underground, exploration drilling focused on near mine opportunities south of the McLarty granodiorite and extensions to key mineralised structures such as Barton and Gateway. Exploration results were hampered by slow assay turnaround and significant assay backlogs.

### Exploration – Bronzewing Operations

Resource definition drilling on the central Corboys prospect, approximately 25km north of Bronzewing, has continued to extend the mineralisation along the prospective granite-basalt contact. This highlights the along strike potential of the Corboys – Mt Joel trend for future discoveries.

### Exploration – Thunderbox Operations

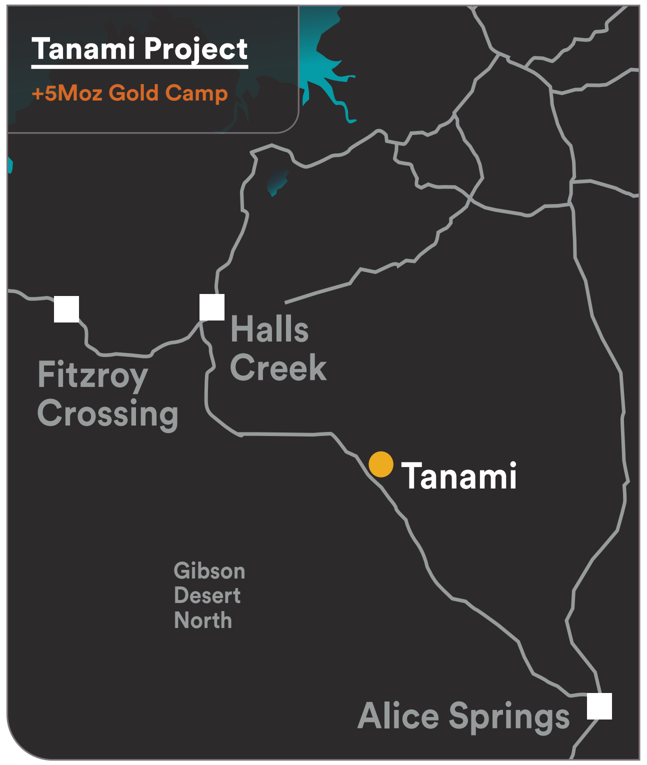
In FY22 exploration on the Wonder Shear Zone continued. Collection of higher resolution geophysical data improved the definition and positioning of the Wonder Shear Zone to the south-east. This definition combined with systematic drill testing resulted in the discovery at the Golden Wonder prospect. This significant gold mineralisation is characterised by strong alteration hosted within a highly strained monzogranite.

Exploration at Bannockburn focused on drill-testing the Bannockburn Shear Zone to the north of the current defined Mineral Resource and Ore Reserve.

Previously, exploration north of Bannockburn has been hampered by the presence of thick surface and paleo drainage channels. The current drilling program successfully negotiated the difficult drilling conditions to achieve several highly encouraging results located 500m north of the current Bannockburn Ore Reserve.

Strong primary mineralisation was located by broad-spaced drilling of structures propagating off the Bannockburn Shear Zone in a similar geological setting to the Bannockburn open pit to the south.

## Tanami Project




**0**
**FY22 LTIFR**

**0**
**FY22 TRIFR**

**1,895koz**
**Mineral Resources (523koz divested)**
(at 31 March 2022)

### Central Tanami (NST 50%)

As announced to the ASX on 16 September 2021, Northern Star acquired a further 10% interest in the Central Tanami Project, increasing its stake to 50%. A new joint venture has been formed, with a jointly owned joint venture management company being established, through which both Tanami Gold NL (ASX: TAM) and Northern Star are jointly funding all exploration and development activities. Exploration drilling is being advanced and a scoping study is in progress to determine next steps for project development. For more information, please see https://www.nsrltd.com/investor-and-media/asx-announcements/2021/september/completion-of-central-tanami-project-jv

### Western Tanami (NST 100%)

There was limited activity at Western Tanami in FY22, due to the sale of the Western Tanami Project which completed on 15 June 2022. For more information, please see https://www.nsrltd.com/investor-and-media/asx-announcements/2022/june/northern-star-completes-paulsens-and-western-tanam

### Tanami Regional (NST 100%)

To complement our existing activities at the Central Tanami Project Joint Venture, Northern Star holds a substantial land position in the surrounding Tanami region. In FY22, the focus was on completing reconnaissance aircore drilling programs at select locations across the project area, though was limited by COVID-19 restrictions.

**To complement our existing activities at the Central Tanami Project Joint Venture, Northern Star holds a substantial land position in the surrounding Tanami region.**







## Paulsens Operations


**0**
**FY22 LTIFR**

**0**
**FY22 TRIFR**

**231koz**
**Mineral Resources (divested)**

**42koz**
**Ore Reserves** (at 31 March 2022) **(divested)**

The sale of Northern Star's Paulsens Operations completed on 15 June 2022. For more information, please see https://www.nsrltd.com/investor-and-media/asx-announcements/2022/june/northern-star-completes-paulsens-and-western-tanam

Section of open pit face at Jundee Operations, Yandal Production Centre, Western Australia

# Financial Review

Record revenue for the year of $3.7 billion and strong balance sheet maintained to support our profitable growth strategy. Key financial outcomes from our FY22 operations are highlighted below.

## Strong operational and free cash generation

As a result of the strong production and gold price realised during the year, the Company generated record underlying EBITDA of $1.5 billion (FY21: $1.2 billion) primarily driven by a 29 percent increase in gold sold (excluding preproduction ounces) (FY22: 1,531,013 ounces; FY21: 1,182,946 ounces). Similarly, operating cash flow was up 49 percent from the prior year to $1.6 billion (FY21 $1.1 billion) and underlying free cash flow was up 33 percent to $477 million (FY21: $359 million).

## Growth in Cash Earnings[9]

Cash Earnings increased 58 percent to $1.0 billion, reflecting the cash-generating strength of the business.

## Margin focus

Gold revenue increased 35 percent to $3.7 billion primarily driven by the 29 percent increase in gold sold (excluding preproduction ounces) and a 7 percent increase in average realised gold price to $2,433 per ounce (FY21: $2,273 per ounce). Cost of sales increased 45 percent to $3.2 billion (FY21: $2.2 billion) driven by higher activity across all operations translating to higher mining, processing, operational employee costs and depreciation and amortisation expenses. Costs continue to remain a strong focus for the business and has been a key element of the Company's strategy to unlock value. Northern Star has an excellent history of realising total cost reductions and best in class operational productivity.

**Figure 1** Cash flow from Operations (A$M)

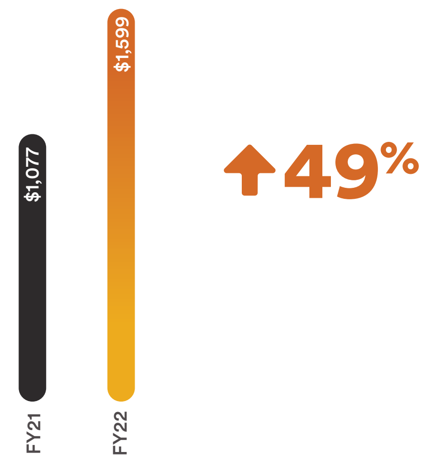
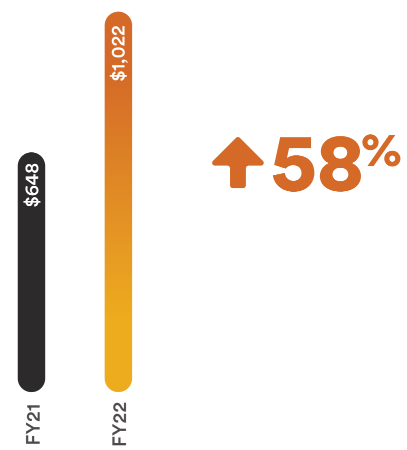



**Figure 2** Cash Earnings (A$M)




9. Cash Earnings is Underlying EBITDA less net interest, tax paid and sustaining capital. Underlying EBITDA adjusts for mergers and acquisition and one-off charges. These are non-GAAP measures and have been reconciled within the Financial Review section of the Operating and Financial Review.







## Clear organic growth pathway

The first year of our five-year profitable growth strategy to 2Mozpa production by FY26 delivered significant progress:

- Kalgoorlie – KCGM material movement of 66Mtpa;
- Yandal – Thunderbox mill expansion remains on track and within budget; and
- Pogo – Mill expansion completed.

The Company's robust balance sheet and available liquidity supports this organic growth strategy, details of which are outlined on pages 32 to 35. At 30 June 2022, the Company had cash and bullion of $628 million.

## Robust returns to shareholders

A final fully franked dividend of 11.5 cents per share to shareholders has been approved, taking the full year payout to 21.5 cents per share.


Gold bars poured at Jundee Gold Mine, Yandal Production Centre. Western Australia

## Overview

FY22 performance was generated from the Jundee, Kalgoorlie Operations, KCGM, Thunderbox, Carosue Dam and Pogo Operations for the full year ended 30 June 2022.

**Figure 3** Gold Sold (oz)[10]

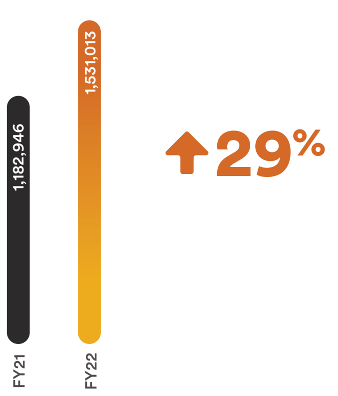



**Figure 4** Revenue (A$M)

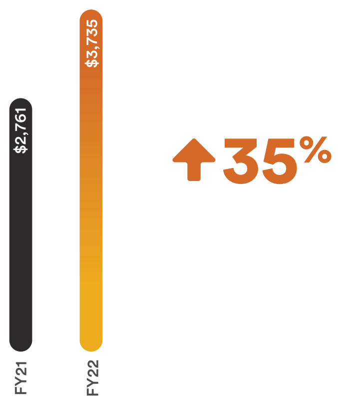
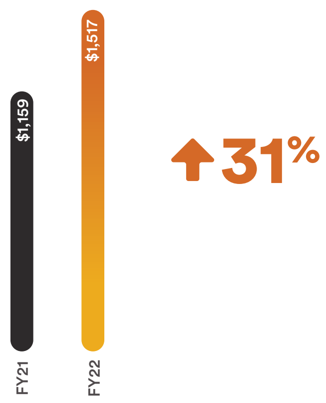



**Figure 5** Underlying EBITDA (A$M)




**The Company generated record operating cash flow of $1.6 billion (FY21: $1.1 billion) primarily driven by a 29 percent increase in gold sold and a 7 percent increase in average realised gold price per ounce to $2,433 per ounce.**

**Table 2** FY22 Financial Reporting Metrics[11] by Operation

| | Jundee | Thunder-box | KCGM | Kal. Ops | Carosue Dam | Pogo | Exp-loration | Other[12] | Total |
|---|---|---|---|---|---|---|---|---|---|
| Gold Sold - Production (Oz)[10] | 310,823 | 108,658 | 482,718 | 174,918 | 239,681 | 214,216 | - | (1) | **1,531,013** |
| Revenue (A$M) | 755.7 | 266.7 | 1,179.3 | 425.0 | 581.4 | 522.8 | - | 4.5[13] | **3,735.4** |
| Cost of Sales (Ex-D&A) (A$M) | 302.4 | 137.2 | 739.0 | 258.7 | 322.8 | 356.5 | 12.1 | (12.1) | **2,116.6** |
| Depreciation & Amortisation (A$M) | 123.5 | 117.0 | 356.3 | 94.8 | 276.9 | 130.9 | 1.9 | 9.2 | **1,110.5** |
| Impairment (A$M) | - | - | - | - | - | - | 52.4 | - | **52.4** |
| Acquisition & Integration Costs (A$M) | - | - | - | - | - | - | - | 7.4 | **7.4** |
| Segment EBITDA (A$M)[14] | 453.3 | 129.6 | 440.3 | 166.3 | 258.6 | 166.3 | (12.1) | NA | **1,602.2** |
| Underlying EBITDA (A$M)[14] | 453.3 | 129.6 | 440.3 | 166.3 | 258.6 | 166.3 | (12.1) | (85)[15] | **1,517.3** |

10. Gold Sold excludes gold sales from assets not currently determined to be in commercial production (operating in the manner as intended by management as defined by Australian Accounting Standards). During the financial year 30koz (FY21: 56koz) of pre-production sales were capitalised to Mine Properties offset against the related growth capital. Total development receipts capitalised to Mine Properties during the financial year were $73.2 million.
11. The metrics in this table have been prepared on a financial reporting basis. References to FY21 incorporate the effects of the merger with Saracen from 12 February 2021.
12. Other contains amounts not allocated to segments, including corporate activities.
13. Other revenue is the non-cash unwind of the acquired out-of-the-money hedge book contract on merger that has not been allocated to operations. The liability unwinds to revenue as the out-of-the-money hedges are delivered.
14. Segment and Underlying EBITDA are non-GAAP measures and have been reconciled in note 2 of the financial statements and below, respectively.
15. Includes: corporate costs, excluding exploration segment EBITDA and corporate, technical services and projects depreciation and amortisation.





**Table 3** Financial Overview

| | | FY22 | FY21 | Change (%) |
|---|---|---|---|---|
| Revenue | A$M | 3,735.4 | 2,760.5 | 35% |
| EBITDA[16] | A$M | 1,741.0 | 2,268.0 | (23%) |
| Underlying EBITDA[16] | A$M | 1,517.3 | 1,159.2 | 31% |
| Cash Earnings[16] | A$M | 1,021.9 | 647.9 | 58% |
| Net Profit After Tax[16] | A$M | 429.8 | 1,032.5 | (58%) |
| Cash flow from Operating Activities | A$M | 1,599.2 | 1,076.8 | 49% |
| Cash flow used in Investing Activities | A$M | (881.3) | (257.1) | 243% |
| Payments for mine properties and property plant and equipment | A$M | (908.0) | (547.6) | 66% |
| Exploration | A$M | (120.7) | (145.5) | (17%) |
| Acquisition of Assets & Businesses | A$M | 303.9 | 390.6 | (22%) |
| Net Investment Proceeds / (Payments) | A$M | (168.7) | 30.4 | (655%) |
| Other | A$M | 12.2 | 15.0 | (19%) |
| Free Cash Flow[17] | A$M | 717.9 | 819.7 | (12%) |
| Underlying Free Cash Flow[18] | A$M | 477.1 | 358.5 | 40% |
| Cash and bullion | A$M | 628.3 | 799.0 | (21%) |
| Corporate Bank Debt & Secured Asset Financing[19] | A$M | 368.2 | 746.2 | (51%) |
| Basic Earnings Per Share | Cents | 37.0 | 114.7 | (68%) |
| Dividends per share[20] | Cents | 21.5 | 19.0 | 13% |

16. Net Profit After Tax is statutory profit (NPAT). EBITDA, Underlying EBITDA and Cash Earnings are non-GAAP measures and have been reconciled to NPAT in Table 4 overpage.
17. Free Cash Flow is calculated as operating cash flow less investing cash flow as outlined in the Group's Cash Flow Statement
18. A reconciliation between free cash flow and underlying free cash flow has been included in Table 5 overpage.
19. Excludes accrued interest and net of unamortised upfront transaction costs
20. This excludes the Special Dividend of 10 cents per share paid during FY21

## Income Statement

The results and commentary below relate to the 12 months ended 30 June 2022, which included a full year and performance in respect of the operations and assets acquired from the merger with Saracen. As the merger completed 12 February 2021, the comparative 12 month period ended 30 June 2021 includes only a part contribution of the assets acquired and their performance.

The Group reported a statutory profit after tax of $430 million for the 12 months ended 30 June 2022, a 58 percent decrease from the prior year (2021: $1,033 million). This reduction in statutory profit after tax was largely due to the prior year recognising non-cash gains and losses arising from the merger, including a $1.9 billion gain in respect of the remeasurement of the Company's interest in KCGM which was offset by $437M of impairment charges relating to low grade ore stockpiles and $232M of acquisition and integration costs.

The Group reported Cash Earnings for the period ended 30 June 2022 of $1.02 billion which is 58 percent higher than the prior year (FY21: $648M). Cash Earnings is defined as underlying EBITDA less net interest paid, tax paid and sustaining capital. As a result of merger accounting and the Company's focus to generate superior returns, Cash Earnings provides shareholders with an improved understanding of the Company's performance as it reflects sustaining free cash flow.

Production increased across all operations compared to the prior year, with the only exception being Kalgoorlie Operations where production decreased due to the divestment of the Kundana operations in August 2021. The main driver for the higher production for the year ended 30 June 2022 was the 12 months of production contribution from Thunderbox, Carosue Dam and the additional 50 percent of KCGM operations which were acquired from the merger.

Cost of sales increased 48 percent to $3.2 billion (2021: $2.2 billion) driven by higher activity across all operations translating to higher mining, processing and operational employee costs and an increase in non-cash depreciation and amortisation charges and inventory expenses which were incurred from the higher asset values recognised on the balance sheet as part of the merger.

Non-cash impairments of $52 million (2021: $546 million) were recognised with the current year impairment being in respect of exploration properties.

Consistent with the strategy of active portfolio management, the Group divested its interest in Paulsens, Western Tanami and Kundana assets during the year resulting in total pre-tax gain of $298 million. These properties were non-core to Northern Star's five-year strategic plan. Paulsens and Western Tanami were on care and maintenance at the time of the sale.


Pogo Operations, Alaska USA







**Table 4** Net Profit After Tax to EBITDA, Underlying EBITDA and Cash Earnings Reconciliation

| | | FY22 | FY21 |
|---|---|---|---|
| **Net Profit After Tax** | **A$M** | **429.8** | **1,032.5** |
| Tax | A$M | 180.3 | 551.4 |
| Depreciation & Amortisation | A$M | 1,110.5 | 660.0 |
| Interest Income | A$M | (6.0) | (4.3) |
| Finance Costs | A$M | 26.4 | 28.4 |
| **EBITDA** | **A$M** | **1,741.0** | **2,268.0** |
| Financial Instrument Fair Value Adjustments | A$M | (0.8) | 18.9 |
| Impairment Charges | A$M | 52.4 | 545.6 |
| Pre-tax gain on remeasurement of KCGM (NST 50% share) | A$M | - | (1,919.2) |
| Acquisition & Integration Costs | A$M | 7.4 | 231.8 |
| Merger fair value uplift on run-of-mine stockpiles and gold-in-circuit[21] | A$M | - | 74.0 |
| Loss on extinguishment of KCGM power contract | A$M | 19.4 | - |
| Delivery of Saracen non-cash hedge book[22] | A$M | (4.5) | (59.9) |
| Gain on Disposal of Subsidiary and assets | A$M | (297.9) | - |
| Loss on disposal of property, plant and equipment | A$M | 0.3 | - |
| **Underlying EBITDA** | **A$M** | **1,517.3** | **1,159.2** |
| Tax & Net Interest Paid | A$M | (83.4) | (155.0) |
| Sustaining Capital | A$M | (412.0) | (356.3) |
| **Cash Earnings** | **A$M** | **1,021.9** | **647.9** |

21. Run-of-mine (ROM) stockpiles and gold-in-circuit inventory at the time of the merger was required to be remeasured to fair value, resulting in a non-cash increase of A$74 million. This adjustment represents the non-cash amount expensed in FY21 on sale of the contained gold.
22. The mark-to-market position on Saracen's hedge book was required to be recognised as a liability as part of the merger accounting. As the gold in those hedge contracts is delivered the liability is unwound and recorded as a non-cash increase to revenue.

## Balance sheet

The decrease in current assets as at 30 June 2022 to $1.4 billion ($1.8 billion: 30 June 2021) was mainly driven by the reduction in cash and cash equivalents, from the repayment of borrowings during the year, the finalisation of the FY21 Group tax return and subsequent refund received and the completion of the sale of the Kundana Assets on 18 August 2021 which was classified as held for sale at 30 June 2021.

Non-current assets increased by $286 million primarily due to:

- the investment of C$154 million (A$169 million) in a convertible senior unsecured debenture with Osisko Mining Inc. which is measured at fair value;
- the US$95 million acquisition of Newmont Power business with the assets of that business being classified as plant and equipment and intangibles;
- mobile fleet investment at KCGM operations;
- Thunderbox mill expansion; and
- continued investments in exploration, sustaining and growth capital across the operations.

Trade and other payables were higher at 30 June 2022 compared to the prior year, consistent with increased activity across the operations, however current liabilities remained consistent against the prior period (30 June 2022: $777 million; 30 June 2021: $765 million) with the sale of Kundana assets and divestment of the associated liabilities held for sale during the year. Non-current liabilities reduced $366 million from the repayment of borrowings during the year and higher discount rates used to present value long term closure liabilities.



Gold nugget from Kanowna Belle, Kalgoorlie Production Centre, Western Australia





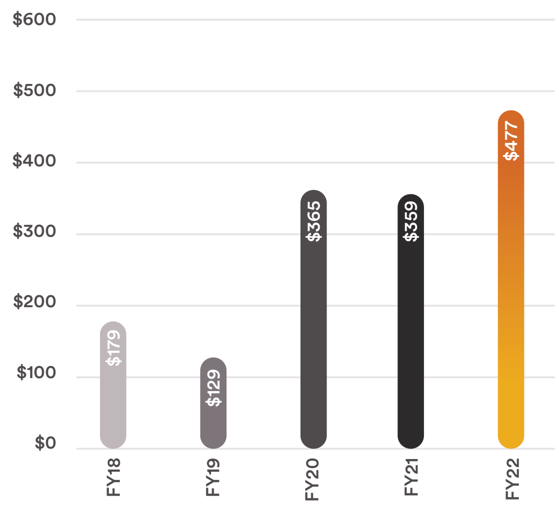
## Cash flow

Cash flows from operating activities for the 12 months ended 30 June 2022 were $1,599 million, being 49 percent higher than the previous financial year driven principally by increased revenues from higher gold sold and a 7 percent increase in realised gold price per ounce received for the year. Whilst payments to suppliers and employees have increased with higher operational activity and from price increases for some input costs, additional revenues from production growth and higher realised prices have ensured margins remained healthy during the year ended 30 June 2022. Finally, during the year, the Company was refunded the $166M payment made in respect of the FY21 income tax year.

Payments for property, plant and equipment increased by $214 million, mainly driven by the Thunderbox mill expansion project. Investment in exploration remained consistent with the prior year at $121 million. Payments for mine properties increased 42 percent from the prior year to $498 million with continued capital invested in mine development across all operations, with the largest investment being from the pre-stripping activities at Fimiston South and Oroya Brownhill at KCGM operations.

As mentioned above, in December 2021 the Company entered into a convertible funding arrangement with Osisko Mining Inc. to the value of C$154 million (A$169 million). The Debenture has a maturity date of 1 December, 2025. The Company received $402 million in proceeds from the sale of its Kundana Assets to Evolution Mining Limited in August 2021.

**Figure 6** Underlying Free Cash Flow (A$M)




Cash flows from financing activities highlight was the net reduction of the Group's debt facilities during the year by $562 million. Equipment financing payments increased FY22 with the investment in the mobile fleet at KCGM operations.

Dividends paid to the Company's shareholders during the year ($227 million) included the FY22 interim dividend ($116 million) paid on 29 March 2022.

**Table 5** Free Cash Flow

| | FY22 | FY21 |
|---|---|---|
| **Free Cash Flow** | **717.9** | **819.7** |
| Mergers and acquisitions[23] | 4.6 | (318.1) |
| Net sale of Investments | (303.9) | (30.4) |
| Osisko Mining Inc. Debenture | 168.7 | - |
| Payments for asset acquisitions | 15.0 | - |
| Proceeds from disposal of asset | (16.8) | - |
| Proceeds from sale of financial assets at fair value through other comprehensive income | (10.4) | - |
| Movement in bullion awaiting settlement & finished goods | 30.2 | (48.2) |
| Working capital movement | - | 16.4 |
| Payments for equipment financing & leases for operating assets | (128.2) | (80.9) |
| **Underlying Free Cash Flow** | **477.1** | **358.5** |

23. Mergers and acquisitions includes: 30 June 2022 – Stamp duty on acquisitions ($4.6 million); 30 June 2021- Saracen cash obtained on merger ($402.5 million) less acquisitions of assets during the period ($11.9 million) and merger and acquisition related costs paid ($72.5 million).

# Business Strategies & Future Prospects

Our Purpose is: To generate superior returns for our shareholders, while providing positive benefits for our stakeholders, through operational effectiveness, exploration and active portfolio management.

## Growth strategy

Northern Star announced its five-year strategic plan in July 2021[24], to generate superior returns by executing on an organic growth pathway to 2Mozpa by FY26, across its three large-scale production centres all in world class jurisdictions. This "business first" strategy is underpinned by a commitment to the following principles (see Figure 7).

The first year of the profitable growth pathway delivered significant progress:[25]

- Kalgoorlie – material movement at KCGM of 66Mtpa (targeting 80-100Mtpa by FY26);
- Yandal – Thunderbox mill expansion 3Mtpa to 6Mtpa remains on track and within budget, ramp up expected H1 FY23;
- Pogo – Mill expansion completed, mine ramp-up progressing with additional mining fronts.

The Company's robust balance sheet and available liquidity supports this organic growth strategy, with a cash and bullion balance of $628 million at 30 June 2022.

**Figure 7** Strategic plan principles

- **Generate superior returns**
- **Responsible producer**
- **Profitable growth**
- **Strong cash flow generation**
- **World-class assets**

**Figure 8** Progress against five-year strategic plan as at start of FY23

| | FY22 1.56Moz | FY23 1.56-1.68Moz | FY24 | FY25 | FY26 | Sustainable Business |
|---|---|---|---|---|---|---|
| **Kalgoorlie** | KCGM Fleet Delivery ✓ | Increase KCGM material movement to 80-100Mtpa Fimiston South ramp up; Increased access to Golden Pike | | | 1,100koz KCGM 650koz | 3-5 Production Centres; 1.8-2.2Moz Gold Sold |
| **Yandal** | TBO Mill Expansion (to 6.0Mtpa) ✓ | TBO Mill Commissioning (to 6.0Mtpa) | 600koz 9Mtpa milling (3Mtpa Jundee, 6Mtpa TBO) Regional processing savings from various ore sources | | | 1st Half Cost Curve |
| **Pogo** | Mill Expansion (to 1.3Mtpa) ✓ | Increase production volumes | 300koz Development ~1,500m per month Mining = Milling + 1.3Mtpa | | | +20yr Life of Mine |

24. See ASX announcement: https://www.nsrltd.com/investor-and-media/asx-announcements/2021/july/2021-investor-day-presentation.
25. See ASX announcement: https://www.nsrltd.com/investor-and-media/asx-announcements/2022/august/investor-presentation-diggers-dealers-2022.





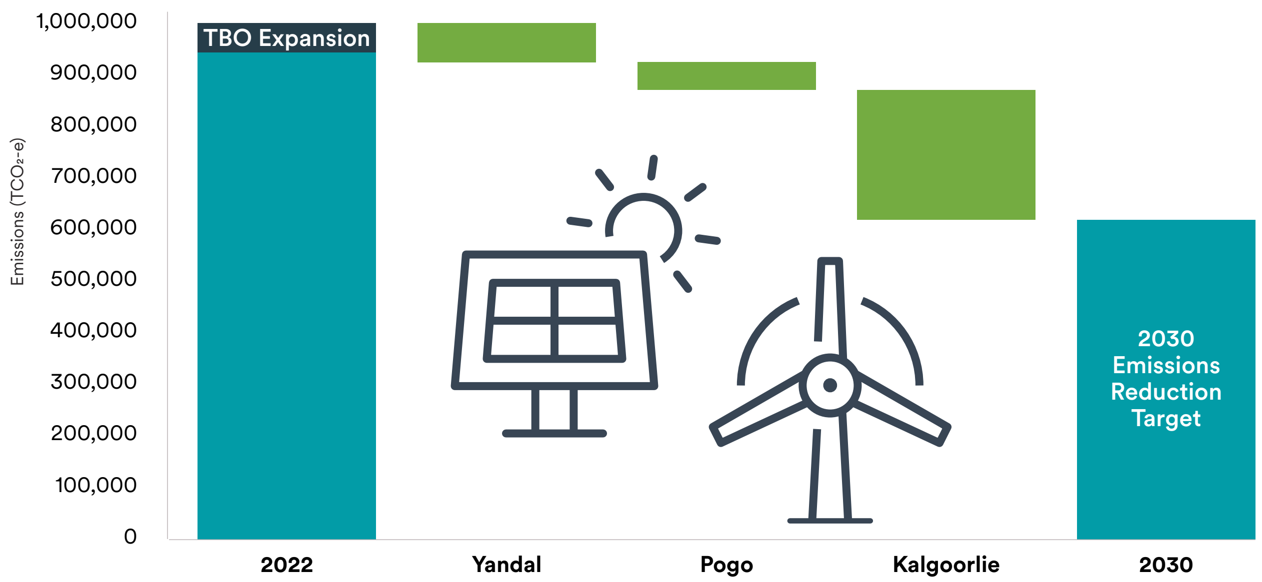


## Decarbonisation strategy

As a responsible producer, a key aspect of our business plan is our Net Zero Ambition for Scope 1 and Scope 2 Emissions by 2050, and targeted 35% reduction in absolute Scope 1 and Scope 2 Emissions by 2030, relative to 1 July 2020 baseline (931kt$CO_2$-e).

Below is our current planned Emissions Reduction strategy, including KCGM utilising up to 60% renewable power.

**Figure 9** 2030 Scope 1 and Scope 2 Emissions Reduction pathway planned projects[26]




26. References to carbon emissions are for Scope 1 and Scope 2 Emissions only.

Technician carrying out an inspection of the solar panels, Carosue Dam, Kalgoorlie Production Centre, Western Australia.

## FY23 plans

In FY23, Northern Star is committed to safely delivering our operational targets and responsibly advancing its strategic growth options across our portfolio to maximise returns to shareholders. The Company will continue to adopt an agile and disciplined approach to portfolio optimisation.

Northern Star's financial position remains strong, with cash and bullion of $628 million. The Company's FY23 growth program is fully funded and aligns with our capital management framework of allocating capital to those projects that deliver superior returns. Major growth areas, which accounts for ~90% of the FY23 growth capital expenditure, are set out in Table 6 below.

We continue our focus on producing profitable ounces from world-class gold assets in tier-1 locations. Combined with our differentiated operating capability that delivers industry-leading underground productivity rates - the NSMS internal mining services business – Northern Star is well positioned to deliver a successful FY23.

**Table 6** Growth projects planned for FY23

| % Group CAPEX | Production Centre | Major growth options |
|---|---|---|
| 43% | Kalgoorlie | Progressing waste material movement at KCGM, to unlock high grade Golden Pike North and Fimiston South ore for processing in subsequent years; new tailings dam |
| 12% | Yandal | Completion of the Thunderbox mill expansion which is on track and on budget for commissioning and ramp up in H1 FY23; establishment of Otto Bore mine; new tailings dam |
| 12% | Yandal | Development of Orelia open pit as a feed source for the expanded Thunderbox mill |
| 10% | Kalgoorlie | Development of Carosue Dam Porphyry underground, scheduled to commence in H1 FY23 |
| 10% | Pogo | Pogo underground mine development; additional camp; underground capital drilling and assays |

## FY24-26 outlook

Northern Star's assets are well placed to deliver our profitable growth strategy to 2Mozpa by FY26. The Company is focused on the disciplined and transparent allocation of capital, and will not grow for growth's sake. Northern Star will continue to review and optimise our portfolio for greater financial and shareholder returns, in line with our stated Purpose.

## Challenges

The Company is exposed to a range of material business risks that have the potential to impact on the execution of our business plan and growth strategy, and achievement of our stated performance targets – such as uncertainty in the operating and inflationary environment triggering industry-wide cost escalation to accelerate. These may affect the future financial performance and position of the Company.

We have disclosed strategic risks to which Northern Star has an exposure, potential adverse impacts of those risks, and examples of key control measures in place – see Table 7. Also included in the next section is a discussion on the Company's risk management processes, including specific disclosures around climate-related risks and cyber security risks.








Exploration core sample inspections, Kanowna Belle, Kalgoorlie Production Centre, Western Australia

# Risk Management

Effective risk management helps us make diligent and defensible decisions as we pursue our growth strategy, whilst keeping our people safe, and generating value for our shareholders and stakeholders in a sustainable way.

Northern Star is committed to enhancing the identification and management of material risks presented by our operational and corporate activities. We understand that risk is an inherent part of operating our business and believe in building a safer and more sustainable business for our employees, contractors, shareholders and stakeholders.

A crucial element underpinning Northern Star's risk management is our Company culture. Our Company culture is guided by our Code of Conduct and STARR Core Values that promote a positive culture requiring transparency, honesty, integrity, ethical behaviour and accountability.

Our operational and corporate activities are guided by Northern Star's risk management framework, comprising a risk management policy and standard. The framework is aligned to ISO 31000, the international standard for risk management, and provides a consistent approach to the assessment, management and reporting of strategic, operational, financial, environmental, social performance, governance and other business risks across the organisation. The framework is overseen by the Board, who have a significant understanding of material risks in the industry and jurisdictions in which Northern Star operates. The framework also supports executive management and the Board in meeting their corporate governance responsibilities.

In FY22, to complement the Company's existing internal audit framework, a Group-level in-house audit and risk function was established. A Group Manager Audit & Risk was appointed. This role has a direct line to the Audit & Risk Chair. In addition to overseeing the internal auditor function, this role aims to enhance and improve Northern Star's risk management capability and maturity, in support of the Company's corporate governance.

Four of the Company's independent Directors, who possess the required expertise and a suitable mix of skills and diversity of experience, form the Audit & Risk Committee and make recommendations to the Board on the risk management framework. Our senior management team is responsible for reinforcing and modelling the appropriate behaviours and judgements required to maintain effective risk management and risk awareness, supported by the Audit & Risk function. At meetings of the Audit & Risk Committee, information regarding emerging and existing business risks is presented by management and internal audit for challenge and discussion. This risk management framework enables the Board to identify further areas to mitigate risks and continuously monitor and improve risk management and internal controls.

In FY22, examples of this risk management framework in action included:

- Company-wide strategic and operational risk reviews;
- environmental and social performance risk reviews and a separate climate-change related change risk review;
- crisis management and business continuity training drills;
- a comprehensive review of our insurance framework and policies;
- a rigorous annual budgeting system based on up-to-date Resources and Reserves information;
- appropriate due diligence and advisory expertise for acquisitions and divestments; and
- scrutiny of management's capital allocation decisions for organic and inorganic growth initiatives by the Exploration & Growth Committee in pursuit of the Board's role in approving and monitoring performance of the Company's strategy.

The Company's strategic risks, and key examples of control measures are summarised in Table 7 on page 38. This includes the key environmental[27] and social[28] risks to which the Company has a material exposure that are likely to affect Northern Star's financial condition or operating performance[29].

27. As defined in the ASX Corporate Governance Council Principles and Recommendations (4th Ed.). For example, it includes risks of polluting or degrading the environment, adding to carbon levels in the atmosphere or threatening a region's cultural heritage.
28. For example, modern slavery risk, mistreating employees or suppliers, harming the local community and risks associated with pandemic.
29. As disclosed in accordance with Recommendation 7.4 in the ASX Corporate Governance Council Principles & Recommendations (4th Ed.).







## Climate Related Risks

As shown in Table 7, Northern Star recognises that climate change poses a key environmental and social risk to our business and we are committed to improving our understanding of climate change related risks.

To better identify and manage risks relating to climate change, we continue to conduct bi-annual climate change risk assessments which are aligned with the UN Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Results of these climate change risk assessments are submitted to both the Environmental, Social & Safety Committee and the Audit & Risk Committee ensuring Board oversight of the risks and direction on key measures to be implemented to reduce these risks, including progress or barriers towards achieving our announced Net Zero Ambition.

Further information on key environmental and social performance risks are detailed in our latest FY22 Sustainability Report available on our website at www.nsrltd.com/sustainability/.

## Cyber Security Risks

The Company has an Information Technology Policy, Data Technology Standard, Security Incident Management Plan, and other information security policies and procedures in place, and is regularly audited based on best practices and information security standards from the Australian Signals Directorate (ASD) and National Institute of Standards and Technology (NIST). The Company's information security training and compliance program includes training during onboarding, annual refresher training, and anti-phishing simulations and training throughout the year for all employees. This addresses threat and vulnerability management from a cyber security perspective.

The Company has experienced no material information security breaches in the past three years. The Information Technology Manager and the Group Manager Audit & Risk regularly briefs the Board on information security matters at Audit & Risk Committee meetings.


Artist Danielle Champion and her family, commissioned to create Northern Star's 'Karlkurla' Truck

OPERATING AND FINANCIAL REVIEW

**Table 7** Strategic risks and key control measures

**Risk category** People · Operations · Financial · ESG · Growth · Technology

| Category | Risk description | Potential adverse impacts | Key control measures examples |
|---|---|---|---|
| People | Failure to manage safety hazards | • Fatality or serious injury to personnel | • Group Health & Safety Management System (e.g. training, hazard ID, emergency preparedness) applied<br>• Enhancements to Critical Risk Standards & controls operated to manage fatality risk |
| People | Inability to attract & retain skilled personnel in competitive market | • Capability and capacity dilution in workforce<br>• Loss of corporate knowledge<br>• Negative impact on organisational culture | • Delivery of competitive remuneration and benefits<br>• Provision of leadership and talent development programs across the business<br>• STARR Actions program implemented to address results of latest Culture Survey |
| People | Behaviour & culture tolerating / enabling psychosocial hazards & harm | • Personnel exposed to toxic culture with negative impact on mental health, safety & wellbeing<br>• Bullying, harassment, discrimination, assault<br>• Flow on impact to local community | • Implementation of STARR Actions program to embed desired culture<br>• Code of Conduct and Employee Equal Opportunity Policy (EEOP) enforced to minimise harassment<br>• Whistleblower Policy enables confidentiality & anonymity of reports to be preserved |
| People | Business integrity & ethics breach | • Financial loss, fines, penalties, criminal proceedings<br>• Loss of social licence to operate<br>• Reputational damage | • Provision of regular training on, and reinforcement of, the Company's Code of Conduct & policies<br>• Undertaking internal & external audits and investigations<br>• Whistleblower program observed |
| Operations | Operational underperformance against targets | • Erosion of shareholder value<br>• Reputational damage | • Mine planning, reconciliation and grade control plans implemented<br>• Asset management framework and standards are observed<br>• Maintaining consistency in technical and operational capability is made a priority |
| Operations | Supply chain disruption due to adverse events (COVID-19, natural disasters) | • Production impacts<br>• Project delays<br>• Increased costs | • Regular and early contact with suppliers made to identify and address anticipated delays or suspension in supply |
| Operations | Significant and/or sustained business disruption (plant failure, attack, fire) | • Production loss<br>• Financial loss<br>• Harm to personnel | • Emergency management and business continuity planning, including availability of critical spares |
| Financial | Prolonged cost escalation (labour, energy, consumables, equipment, logistics) | • Eroded profitability and shareholder value<br>• Significant management intervention necessitated | • Cost sensitivity analysis conducted as part of budget and forecasting process<br>• Treasury Risk Management Policy in place and applied<br>• Implementation of cost reduction and strategic procurement initiatives |
| Financial | Sustained depressed gold price | • Significant management intervention required (e.g. cancel / delay major projects, capital reallocation, cost reductions)<br>• Inability to achieve five-year strategic plan | • Price sensitivity analysis conducted as part of budget and forecasting process<br>• Treasury Risk Management Policy in place and applied |
| ESG | Failure to meet climate change & decarbonisation commitments | • Loss of social licence to operate<br>• Shareholder activism<br>• Challenges accessing debt markets | • Net Zero Ambition, and targeted 35% reduction, of absolute Scope 1 and 2 Emissions by 2030 (relative to 1 July 2020 baseline of 931kt$CO_2$-e)<br>• Clear pathway to decarbonisation developed and disclosed, with periodic updates<br>• Absolute carbon Emissions Reductions KPIs form part of senior leadership team remuneration |
| ESG | Heritage compliance breach | • Destruction of heritage sites of importance<br>• Suspension of operating licence, fines, litigation<br>• Loss of social licence to operate | • Compliance with heritage management plans<br>• Meaningful engagement undertaken with Traditional Owners groups |
| ESG | Significant environmental incident | • Damage to flora, fauna, sites of environmental significance<br>• Adverse impact on ecosystems, biodiversity, water resources<br>• Suspension of operation licence, fines, litigation<br>• Loss of social licence to operate | • Group Environmental Management System continuously improved upon and applied<br>• Continuous monitoring & periodic compliance audits conducted |
| ESG | Effects of climate change on operations (water scarcity, extreme weather, dust) | • Disruption to operations<br>• Increased cost of licences, cost of compliance | • Water balance model and water usage forecasting utilised<br>• Oversight by the Environmental Social & Safety Board sub-Committee |
| ESG | Damage to community / stakeholder relations | • Systematic, widespread loss of community trust<br>• Loss of social licence to operate | • Meaningful stakeholder engagement and consultation undertaken<br>• Dedicated Manager Social Performance - Australia appointed |
| ESG | Corporate regulatory non-compliance | • Suspension or cancellation of operating licences<br>• Fines, penalties, enforceable undertakings<br>• Regulatory scrutiny and increased cost of compliance<br>• Reputational damage | • Group management systems and compliance procedures observed<br>• Internal and external audit and risk management processes observed |
| Growth | Delay in or failure to secure land access & approvals (heritage, environmental, third party, tenements) | • Delays to accessing new areas<br>• Constrained mine planning<br>• Difficulty or delay in obtaining project approvals | • Risk assessments & Management Plans implemented<br>• Ongoing and effective communications with governments and regulatory authorities<br>• Engagement with Traditional Owners and third parties |
| Growth | Resources & Reserves underperformance | • Reduced profitability & net cash flows<br>• Variations to mine plan, reduced mine life<br>• Erosion of shareholder value | • Skilled exploration team and tenement management systems and capabilities<br>• Exploration budget supports sustained Resources & Reserves growth<br>• Oversight by the Exploration & Growth Committee of the Board |
| Growth | Mergers, acquisitions & divestments | • Erosion of shareholder value<br>• Employee dissatisfaction and cultural challenges<br>• Inefficiencies due to poor integration | • Comprehensive due diligence conducted on all M&A activity, including external expert input as needed<br>• Disciplined M&A decisions are made in line with stated five-year strategy<br>• Appropriate integration planning and change management is undertaken |
| Technology | Business disruption and data loss caused by significant cyber security attack | • Failure at operations resulting in production loss<br>• Commercially sensitive or personal data breach<br>• Financial loss, regulatory or legal action<br>• Reputational damage | • Use of Security Incident and Event Monitoring System<br>• Business continuity planning<br>• Regular cyber security training for all employees (including Directors), such as simulated phishing tests |
| Technology | Significant failure of information (IT) & operational technology (OT) services | • Lost productivity<br>• Costs of restoring and recovering | • Offsite disaster recovery ability for critical ICT systems<br>• Business continuity planning |







NORTHERN STAR RESOURCES LIMITED ANNUAL REPORT 2022

# Resources & Reserves

# Mineral Resources

Group Mineral Resource remains stable at 56.4Moz, despite mining depletion and portfolio optimisation, reflecting: growth of 4.3Moz from exploration success across production centres; Fimiston Underground Inferred Mineral Resource increased 1Moz; and reduction of 2.4Moz following divestment of the Kundana Assets.

**Table 1** Mineral Resources as at 31 March 2022

| | Measured | | | Indicated | | | Inferred | | | Total Resources | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| NST ATTRIBUTABLE INCLUSIVE OF RESERVE | (000's) | (gpt) | (000's) | (000's) | (gpt) | (000's) | (000's) | (gpt) | (000's) | (000's) | (gpt) | (000's) |
| JUNDEE GOLD PROJECT | | | | | | | | | | | | |
| Surface | 1,884 | 1.0 | 61 | 7,376 | 1.5 | 355 | 4,784 | 1.3 | 192 | 14,045 | 1.3 | 609 |
| Underground | 45 | 2.1 | 3 | 35,478 | 3.2 | 3,661 | 11,885 | 2.9 | 1,126 | 47,408 | 3.1 | 4,791 |
| Stockpiles | 576 | 1.3 | 21 | - | - | - | - | - | - | 576 | 1.3 | 21 |
| Gold in Circuit | - | - | 5 | - | - | - | - | - | - | - | - | 5 |
| Sub-Total Jundee | 2,506 | 1.1 | 90 | 42,854 | 2.9 | 4,017 | 16,670 | 2.5 | 1,319 | 62,029 | 2.7 | 5,425 |
| THUNDERBOX PROJECT | | | | | | | | | | | | |
| Surface | 2,910 | 1.5 | 136 | 43,803 | 1.6 | 2,190 | 4,537 | 1.4 | 206 | 51,250 | 1.5 | 2,532 |
| Underground | 12,986 | 1.8 | 733 | 13,811 | 1.8 | 805 | 4,342 | 1.8 | 254 | 31,139 | 1.8 | 1,792 |
| Stockpiles | 1,925 | 1.3 | 44 | - | - | - | - | - | - | 1,925 | 1.3 | 44 |
| Gold in Circuit | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total Thunderbox | 17,821 | 1.6 | 914 | 57,614 | 1.6 | 2,995 | 8,878 | 1.6 | 459 | 84,313 | 1.6 | 4,368 |
| Total Yandal Production Centre | 20,326 | 1.5 | 1,004 | 100,468 | 2.2 | 7,012 | 25,548 | 2.2 | 1,778 | 146,342 | 2.1 | 9,793 |
| POGO PROJECT | | | | | | | | | | | | |
| Surface | - | - | - | - | - | - | 503 | 7.0 | 114 | 503 | 7.0 | 114 |
| Underground | - | - | - | 9,572 | 11.0 | 3,400 | 12,265 | 9.7 | 3,817 | 21,837 | 10.3 | 7,217 |
| Stockpiles | - | - | - | - | - | - | - | - | - | - | - | - |
| Gold in Circuit | - | - | 7 | - | - | - | - | - | - | - | - | 7 |
| Sub-Total Pogo | - | - | 7 | 9,572 | 11.0 | 3,400 | 12,768 | 9.6 | 3,931 | 22,340 | 10.2 | 7,338 |
| KCGM | | | | | | | | | | | | |
| Surface | - | - | - | 219,505 | 1.8 | 12,385 | 99,288 | 1.3 | 4,309 | 318,792 | 1.6 | 16,694 |
| Underground | - | - | - | 49,440 | 2.2 | 3,497 | 54,758 | 2.4 | 4,277 | 104,198 | 2.3 | 7,774 |
| Stockpiles | 122,976 | 0.7 | 2,864 | - | - | - | - | - | - | 122,976 | 0.7 | 2,864 |
| Gold in Circuit | - | - | 25 | - | - | - | - | - | - | - | - | 25 |
| Sub-Total KCGM | 122,976 | 0.7 | 2,889 | 268,945 | 1.8 | 15,882 | 154,046 | 1.7 | 8,586 | 545,967 | 1.6 | 27,357 |







| | Measured | | | Indicated | | | Inferred | | | Total Resources | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| NST ATTRIBUTABLE INCLUSIVE OF RESERVE | (000's) | (gpt) | (000's) | (000's) | (gpt) | (000's) | (000's) | (gpt) | (000's) | (000's) | (gpt) | (000's) |
| KANOWNA GOLD PROJECT | | | | | | | | | | | | |
| Surface | 10 | 3.1 | 1 | 2,878 | 2.7 | 249 | 3,339 | 1.3 | 144 | 6,227 | 2.0 | 393 |
| Underground | 4,588 | 3.3 | 483 | 15,652 | 2.6 | 1,326 | 11,274 | 2.3 | 827 | 31,514 | 2.6 | 2,636 |
| Stockpiles | 230 | 1.6 | 12 | - | - | - | - | - | - | 230 | 1.6 | 12 |
| Gold in Circuit | - | - | 6 | - | - | - | - | - | - | - | - | 6 |
| Sub-Total Kanowna | 4,828 | 3.2 | 502 | 18,530 | 2.6 | 1,575 | 14,613 | 2.1 | 971 | 37,971 | 2.5 | 3,047 |
| SKO GOLD PROJECT | | | | | | | | | | | | |
| Surface | - | - | - | - | - | - | - | - | - | - | - | - |
| Underground | 2,591 | 3.0 | 251 | 12,136 | 3.0 | 1,183 | 10,116 | 3.3 | 1,058 | 24,843 | 3.1 | 2,492 |
| Stockpiles | - | - | - | - | - | - | - | - | - | - | - | - |
| Jubilee ROM stocks | 208 | 1.3 | 8 | - | - | - | - | - | - | 208 | 1.3 | 8 |
| Gold in Circuit | - | - | 3 | - | - | - | - | - | - | - | - | 3 |
| Sub-Total SKO | 2,799 | 2.9 | 262 | 12,136 | 3.0 | 1,183 | 10,116 | 3.3 | 1,058 | 25,051 | 3.1 | 2,503 |
| CAROSUE DAM GOLD PROJECT | | | | | | | | | | | | |
| Surface | 3,794 | 1.6 | 195 | 22,687 | 1.7 | 1,217 | 10,467 | 1.6 | 522 | 36,947 | 1.6 | 1,934 |
| Underground | 7,583 | 3.0 | 727 | 12,685 | 2.5 | 1,036 | 5,977 | 2.9 | 473 | 26,244 | 2.7 | 2,235 |
| Stockpiles | 2,526 | 1.8 | 58 | - | - | - | - | - | - | 2,526 | 1.8 | 58 |
| Gold in Circuit | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total Carosue Dam | 13,903 | 2.2 | 980 | 35,371 | 2.0 | 2,253 | 16,444 | 2.1 | 995 | 65,718 | 2.1 | 4,227 |
| Total Kalgoorlie Production Centre | 144,506 | 1.0 | 4,633 | 334,982 | 1.9 | 20,892 | 195,218 | 1.8 | 11,610 | 674,706 | 1.7 | 37,135 |
| PAULSENS PROJECT | | | | | | | | | | | | |
| Surface | - | - | - | 129 | 3.1 | 13 | 1,766 | 1.9 | 106 | 1,895 | 2.0 | 119 |
| Underground | 341 | 5.8 | 64 | 88 | 5.6 | 16 | 43 | 6.6 | 9 | 473 | 5.8 | 89 |
| Stockpiles | 11 | 1.6 | 1 | - | - | - | - | - | - | 11 | 1.6 | 1 |
| Gold in Circuit | - | - | 0 | - | - | - | - | - | - | - | - | 0 |
| Sub-Total Paulsens | 353 | 5.7 | 65 | 217 | 4.1 | 29 | 1,809 | 2.0 | 115 | 2,379 | 2.7 | 209 |
| ASHBURTON PROJECT | | | | | | | | | | | | |
| Surface | - | - | - | 98 | 1.6 | 5 | 444 | 1.2 | 17 | 542 | 1.3 | 22 |
| Stockpiles | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total Ashburton | - | - | - | 98 | 1.6 | 5 | 444 | 1.2 | 17 | 542 | 1.3 | 22 |
| CENTRAL TANAMI PROJECT JV | | | | | | | | | | | | |
| Surface/Underground | 3,128 | 2.9 | 290 | 5,538 | 2.8 | 500 | 6,052 | 2.9 | 566 | 14,718 | 2.9 | 1,356 |
| Stockpiles | 700 | 0.7 | 16 | - | - | - | - | - | - | 700 | 0.7 | 16 |
| Sub-Total Central Tanami JV | 3,828 | 2.5 | 306 | 5,538 | 2.8 | 500 | 6,052 | 2.9 | 566 | 15,418 | 2.8 | 1,372 |
| WESTERN TANAMI PROJECT | | | | | | | | | | | | |
| Surface/Underground | 107 | 7.8 | 27 | 1,079 | 6.0 | 208 | 1,449 | 5.8 | 271 | 2,635 | 6.0 | 506 |
| Stockpiles | 375 | 1.4 | 17 | - | - | - | - | - | - | 375 | 1.4 | 17 |
| Sub-Total Western Tanami | 482 | 2.8 | 44 | 1,079 | 6.0 | 208 | 1,449 | 5.8 | 271 | 3,010 | 5.4 | 523 |
| **NORTHERN STAR TOTAL** | **169,495** | **1.1** | **6,058** | **451,955** | **2.2** | **32,046** | **243,289** | **2.3** | **18,288** | **864,738** | **2.0** | **56,392** |

**Note:**

1. Mineral Resources are inclusive of Ore Reserves.
2. Mineral Resources are reported at various gold price guidelines: a. A$2,250/oz Au - All Australian assets except Ashburton; b. AUD $1,850 /oz Au - Ashburton; US$1,500/oz Au - USA assets.
3. Rounding may result in apparent summation differences between tonnes, grade and contained metal content.
4. Bronzewing Project have been re-distributed into the likely processing option either Thunderbox or Jundee.

Competent Person:
Jabulani Machukera

# Ore Reserves

Group Ore Reserve of 20.7Moz, despite mining depletion and portfolio optimisation, reflecting: exceptional growth at Pogo to 1.8Moz at higher grade of 8.5g/t, Kalgoorlie Operations to 14.9Moz and reduction of 0.6Moz following the divestment of the Kundana Assets.

**Table 2** Ore Reserves as at 31 March 2022

| | Proved | | | Probable | | | Total Reserve | | |
|---|---|---|---|---|---|---|---|---|---|
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| NST ATTRIBUTABLE RESERVE | (000's) | (gpt) | (000's) | (000's) | (gpt) | (000's) | (000's) | (gpt) | (000's) |
| JUNDEE GOLD PROJECT | | | | | | | | | |
| Surface | 1,851 | 1.0 | 60 | 1,338 | 1.7 | 75 | 3,190 | 1.3 | 134 |
| Underground | 45 | 2.1 | 3 | 11,668 | 4.2 | 1,576 | 11,713 | 4.2 | 1,579 |
| Stockpiles | 576 | 1.1 | 21 | - | - | - | 576 | 1.1 | 21 |
| Gold in Circuit | - | - | 5 | - | - | - | - | - | 5 |
| Sub-Total Jundee | 2,473 | 1.1 | 89 | 13,006 | 3.9 | 1,651 | 15,479 | 3.5 | 1,740 |
| THUNDERBOX PROJECT | | | | | | | | | |
| Surface | - | - | - | 24,344 | 1.5 | 1,185 | 24,344 | 1.5 | 1,185 |
| Underground | 8,570 | 1.7 | 475 | 7,132 | 1.9 | 439 | 15,702 | 1.8 | 914 |
| Stockpiles | 1,925 | 1.3 | 44 | - | - | - | 1,925 | 1.3 | 44 |
| Gold in Circuit | - | - | 3 | - | - | - | - | - | 3 |
| Sub-Total Thunderbox | 10,495 | 1.5 | 522 | 31,476 | 1.6 | 1,625 | 41,971 | 1.6 | 2,147 |
| Total Yandal Production Centre | 13,433 | 1.4 | 625 | 42,364 | 2.2 | 3,060 | 57,450 | 2.1 | 3,887 |
| POGO GOLD PROJECT | | | | | | | | | |
| Surface | - | - | - | - | - | - | - | - | - |
| Underground | - | - | - | 6,590 | 8.5 | 1,800 | 6,590 | 8.5 | 1,800 |
| Stockpiles | - | - | - | - | - | - | - | - | - |
| Gold in Circuit | - | - | 7 | - | - | - | - | - | 7 |
| Sub-Total Pogo | - | - | 7 | 6,590 | 8.5 | 1,800 | 6,590 | 8.5 | 1,808 |
| KCGM | | | | | | | | | |
| Surface | - | - | - | 140,035 | 1.7 | 7,863 | 140,035 | 1.7 | 7,863 |
| Underground | - | - | - | 17,839 | 2.0 | 1,174 | 17,839 | 2.0 | 1,174 |
| Stockpiles | 122,976 | 0.7 | 2,864 | - | - | - | 122,976 | 0.7 | 2,864 |
| Gold in Circuit | - | - | 25 | - | - | - | - | - | 25 |
| Sub-Total KCGM | 122,976 | 0.7 | 2,889 | 157,874 | 1.8 | 9,037 | 280,850 | 1.3 | 11,926 |







| | Proved | | | Probable | | | Total Reserve | | |
|---|---|---|---|---|---|---|---|---|---|
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| NST ATTRIBUTABLE RESERVE | (000's) | (gpt) | (000's) | (000's) | (gpt) | (000's) | (000's) | (gpt) | (000's) |
| KANOWNA GOLD PROJECT | | | | | | | | | |
| Surface | - | - | - | 1,426 | 3.0 | 137 | 1,426 | 3.0 | 137 |
| Underground | 2,376 | 2.7 | 203 | 5,775 | 2.3 | 432 | 8,151 | 2.4 | 635 |
| Stockpiles | 230 | 1.6 | 12 | - | - | - | 230 | 1.6 | 12 |
| Gold in Circuit | - | - | 6 | - | - | - | - | - | 6 |
| Sub-Total Kanowna | 2,606 | 2.6 | 220 | 7,201 | 2.5 | 569 | 9,807 | 2.5 | 789 |
| SKO GOLD PROJECT | | | | | | | | | |
| Surface | - | - | - | - | - | - | - | - | - |
| Underground | 711 | 3.8 | 87 | 2,717 | 4.1 | 359 | 3,428 | 4.0 | 446 |
| Stockpiles | - | - | - | - | - | - | - | - | - |
| Jubilee ROM Stocks | 208 | 1.3 | 8 | - | - | - | 208 | 1.3 | 8 |
| Gold in Circuit | - | - | 3 | - | - | - | - | - | - |
| Sub-Total SKO | 919 | 3.3 | 98 | 2,717 | 4.1 | 359 | 3,636 | 3.9 | 457 |
| CAROSUE DAM PROJECT | | | | | | | | | |
| Surface | 588 | 1.2 | 23 | 15,996 | 1.5 | 768 | 16,584 | 1.5 | 791 |
| Underground | 4,019 | 3.0 | 392 | 6,124 | 2.7 | 527 | 10,143 | 2.8 | 919 |
| Stockpiles | 2,526 | 1.8 | 58 | - | - | - | 2,526 | 1.8 | 58 |
| Gold in Circuit | - | - | 7 | - | - | - | - | - | 7 |
| Sub-Total Carosue Dam | 7,133 | 2.1 | 481 | 22,120 | 1.8 | 1,295 | 29,252 | 1.9 | 1,776 |
| Total Kalgoorlie Production Centre | 133,634 | 0.9 | 3,688 | 189,911 | 1.8 | 11,259 | 323,545 | 1.4 | 14,947 |
| PAULSENS PROJECT | | | | | | | | | |
| Surface | - | - | - | - | - | - | - | - | - |
| Underground | 186 | 5.1 | 31 | 84 | 4.0 | 11 | 269 | 4.8 | 41 |
| Stockpiles | 11 | 1.6 | 1 | - | - | - | 11 | 1.6 | 1 |
| Gold in Circuit | - | - | - | - | - | - | - | - | - |
| Sub-Total Paulsens | 197 | 4.9 | 31 | 84 | 4.0 | 11 | 281 | 4.6 | 42 |
| ASHBURTON PROJECT | | | | | | | | | |
| Surface | - | - | - | - | - | - | - | - | - |
| Stockpiles | - | - | - | - | - | - | - | - | - |
| Sub-Total Ashburton | - | - | - | - | - | - | - | - | - |
| CENTRAL TANAMI PROJECT JV | | | | | | | | | |
| Underground | - | - | - | - | - | - | - | - | - |
| Stockpiles | - | - | - | - | - | - | - | - | - |
| Sub-Total Central Tanami JV | - | - | - | - | - | - | - | - | - |
| WESTERN TANAMI PROJECT | | | | | | | | | |
| Underground | - | - | - | - | - | - | - | - | - |
| Stockpiles | - | - | - | - | - | - | - | - | - |
| Sub-Total Western Tanami | - | - | - | - | - | - | - | - | - |
| NORTHERN STAR TOTAL | 146,799 | 0.9 | 4,338 | 241,067 | 2.1 | 16,346 | 387,866 | 1.7 | 20,683 |

**Note:**

1. Ore Reserves are reported at various gold price guidelines: a. A$1,750/oz Au - All Australian assets, b. US$1,350/oz Au - USA assets.
2. Rounding may result in apparent summation differences between tonnes, grade and contained metal content.
3. Ounces are estimates of metal contained in the Ore Reserve and do not include allowances for processing losses.
4. Numbers are 100% attributable to NST.

Competent Person:
Jeff Brown

## Resources and Reserves

As at 31 March 2022, Northern Star's Group Mineral Resource Estimate (inclusive of Ore Reserves) was 865 million tonnes at 2.0 grams per tonne gold for 56.4 million ounces (refer page 42) and the Group Ore Reserve Estimate is 388 million tonnes at 1.7 grams per tonne gold for 20.7 million ounces (refer page 44). Ore Reserves for the Australian Operations were estimated at an assumed gold price of A$1,750/oz. Reserves for the Pogo Operation were estimated at an assumed gold price of US$1,350/oz. Reported in ASX release "Resources, Reserves and Exploration Update" on 3 May 2022 which is also found on Northern Star's website (https://www.nsrltd.com/investor-and-media/asx-announcements/2022/may/resources,-reserves-and-exploration-update).

Group Mineral Resources Estimate increased significantly by 16.8 million tonnes from 31 March 2021 to the current 865 million tonnes with grade remaining steady at 2.0 grams per tonne gold for 56.4 million ounces as at 31 March 2022.

Mineral Resource growth of 4.3Moz from exploration showcases the value generated by the Company's sustained exploration investment, more than offsetting mine depletion and divestments. In addition, it reinforces Northern Star's strategy to identify growth opportunities within strongly endowed geological terrains that can deliver maximum returns to shareholders.

Group Proved and Probable Ore Reserve remained steady with 21 million ounces gold as at 31 March 2021 to the current 20.7 million ounces gold Proven and Probable Reserve at 31 March 2022, after mining depletion of 1.8 million ounces.

Northern Star is not aware of any other new information or data that materially affects the information contained in the Annual Mineral Resource and Ore Reserve statement 31 March 2022 other than changes due to normal mining depletion during the three month period ended 30 June 2022 and divestment of the Paulsens and Western Tanami projects during June 2022.

## Mineral Resources and Ore Reserve governance and Internal controls

Northern Star ensures that the Mineral Resource and Ore Reserve estimates quoted are subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal and external reviews of Mineral Resource and Ore Reserve estimation procedures and results are carried out through a technical review team that is comprised of highly competent and qualified professionals. These reviews have not identified any material issues.

Northern Star reports its Mineral Resources and Ore Reserves on an annual basis in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 Edition. Mineral Resources are quoted inclusive of Ore Reserves. Competent Persons named by Northern Star are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

## Competent Persons Statements

The information in this Report that relates to exploration results, data quality and geological interpretations for the Company's Operations is based on information compiled by Daniel Howe, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Northern Star Resources Limited. Mr Howe has sufficient experience that is relevant to the styles of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Howe consents to the inclusion in this Report of the matters based on this information in the form and context in which it appears.

The information in this Report that relates to Mineral Resource estimations for the Company's Operations is based on information compiled by Jabulani Machukera, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Northern Star Resources Limited. Mr Machukera has sufficient experience that is relevant to the styles of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Machukera consents to the inclusion in this Report of the matters based on this information in the form and context in which it appears.

The information in this Report that relates to Ore Reserve estimations for the Company's Operations is based on information compiled by Jeff Brown, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Northern Star Resources Limited. Mr Brown has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown consents to the inclusion in this Report of the matters based on this information in the form and context in which it appears.

The information in this Report that relates to the Central and Western Tanami Gold Projects is extracted from the Tanami Gold NL ASX announcement entitled "Quarterly Report for the Period Ending 31 March 2014" released on 1 May 2014 and is available to view on www.tanami.com.au.

The Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcement entitled "Quarterly Report for the Period Ending 31 March 2014" released on 1 May 2014 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. To the extent disclosed above, the Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.







Twin Boom Jumbo Rigs, Pogo Production Centre, Alaska USA

# Directors’ Report

## Current Directors

### Michael Chaney AO

BSc, MBA, Hon. LLD W.Aust, FAICD

**Chairman**

**Current age** 72
**Term** Appointed July 2021

Mr Chaney AO was appointed Chairman on 1 July 2021. He is currently Chairman of Wesfarmers Limited and was previously Chairman of Woodside Petroleum Limited and National Australia Bank, a Director of BHP Limited and Managing Director of Wesfarmers from 1992 to 2005.

Mr Chaney AO holds Bachelor of Science and Master of Business Administration degrees from The University of Western Australia (UWA) and worked for eight years as a petroleum geologist in Australia and the USA. He completed the Advanced Management Program at Harvard Business School in 1992 and has also been awarded an Honorary Doctorate of Laws from UWA.

He is former Chancellor of The University of Western Australia (retired December 2017), former Governor of the Forrest Research Foundation (resigned December 2020) and former Director of the Centre for Independent Studies (resigned July 2022). Mr Chaney AO is currently Chair of the National School Resourcing Board and a member of the Gresham Resources Royalties Fund Investment Committee.

**Board skills matrix:** Leadership, strategy, people & culture, risk legal & governance, finance & accounting, shareholders & stakeholders, sustainability.

### Stuart Tonkin

BEng (Hons)

**Managing Director & CEO**

**Current age** 46
**Term** Appointed July 2021*

Mr Tonkin is a mining engineer with more than 25 years' experience working in the underground hard-rock mining industry. He was appointed Chief Executive Officer of Northern Star in November 2016 and had been the Company's Chief Operating Officer since 2013. Mr Tonkin was appointed Managing Director on 22 July 2021.

Prior to joining Northern Star, he was Chief Operating Officer for mining contractor Barminco, and a Non-Executive Director of African Underground Mining Services Ghana. He has extensive experience in the production of gold, copper, zinc and nickel and has held senior operational positions with Oxiana and Newmont in Western Australia.

Mr Tonkin holds a Bachelor of Engineering (Mining) Degree with Honours from the Western Australian School of Mines, and WA First Class Mine Managers Certificate.

*Previously CEO since 2016; COO since 2013

### John Fitzgerald

CA, Fellow FINSIA, GAICD

**Non-Executive Director**

**Current age** 60
**Term** Appointed November 2012*

Mr Fitzgerald has over 25 years' resource financing experience and has provided project finance and corporate advisory services to a large number of companies in the resource sector. He has previously held senior positions at NM Rothschild & Sons, Investec Bank Australia, Commonwealth Bank, HSBC Precious Metals and Optimum Capital. Mr Fitzgerald is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia and a graduate member of the Australian Institute of Company Directors.

**Board skills matrix:** Finance & accounting, strategy, risk legal & governance, leadership, industry experience, people & culture, shareholders & stakeholders, sustainability.

*Lead Independent Director until 12 February 2021

### Nicholas (Nick) Cernotta

B.Eng-Mining

**Non-Executive Director**

**Current age** 60
**Term** Appointed July 2019

Mr Cernotta is a mining engineer having held senior operational and executive roles in Australia and overseas for over 30 years. He has considerable experience in the management and operation of large resource projects, with a track record for improving safety performance, managing costs and improving operational efficiencies, across multiple commodities and international jurisdictions. Most recently Mr Cernotta served as Director of Operations at Fortescue Metals Group Ltd, and was previously Director of Operations for Barrick (Australia Pacific) Pty Ltd.

**Board skills matrix:** Leadership, strategy, industry experience, people & culture, risk legal & governance, shareholders & stakeholders, sustainability.



DIRECTORS' REPORT

### Sally Langer

BCom, CA, GAICD

**Non-Executive Director**

**Current age** 48
**Term** Appointed February 2021

Ms Langer has more than 25 years' experience in professional services across a variety of sectors, including substantial experience in the resources sector, where she has advised both ASX-listed and private boards on talent, organisational design, succession planning and leadership. Ms Langer has also been responsible for management functions including strategy, business development, budgeting and human resources.

Originally qualified as an accountant with Arthur Andersen, Ms Langer spent time in their insolvency, corporate finance and management consulting practices before transitioning into Executive Search initially with Michael Page and subsequently Derwent Executive, where for 13 years she led Derwent's national Mining Practice.

**Board skills matrix:** Leadership, people & culture, risk legal & governance, finance & accounting, sustainability.

### Sharon Warburton

BBus, FCA, FAICD

**Non-Executive Director**

**Current age** 52
**Term** Appointed September 2021

Ms Warburton is a Chartered Accountant with experience in the construction, mining and infrastructure sectors, holding senior executive positions at Rio Tinto, Brookfield Multiplex, Aldar Properties PJSC, Multiplex and Citigroup. Ms Warburton is a non-executive director of Worley Limited, Wesfarmers Limited, Thiess Group Holdings Pty Limited and Blackmores Limited and a part-time member of the Takeovers Panel. She is also on the board of not-for-profit organisation, Perth Children's Hospital Foundation and a non-executive Director of Karlka Nyiyaparli Aboriginal Corporation RNTBC.

Ms Warburton holds a Bachelor of Business (Accounting and Business Law) from Curtin University. She is a Fellow of Chartered Accountants Australia and New Zealand, the Australian Institute of Company Directors. She was awarded WA Telstra Business Woman of the Year in 2014 and was a finalist for The Australian Financial Review's Westpac 100 Women of Influence in 2015.

**Board skills matrix:** Leadership, strategy, industry experience, people & culture, risk legal & governance, finance & accounting, shareholders & stakeholders, sustainability.

### John Richards

BEcon (Hons)

**Non-Executive Director**

**Current age** 61
**Term** Appointed February 2021

Mr Richards is an economist with more than 35 years' experience in the resources industry. He has held strategy and business development positions across several mining companies and has worked extensively in the investment banking and private equity industries. He has been involved in a wide range of mining M&A transactions on a global scale.

Previous experience has included Group Executive Strategy & Business Development at Normandy Mining Ltd, Head of Mining & Metals Advisory (Australia) at Standard Bank, Managing Director at Buka Minerals Ltd and Operating Partner at Global Natural Resources Investments.

**Board skills matrix:** Strategy, leadership, industry experience, risk legal & governance, finance & accounting.

Gold pour at Carosue Dam, Kalgoorlie Production Centre Western Australia

## Former Directors

### Mary Hackett

B.Eng-Mech, FIEAUST, GAICD

**Former Non-Executive Director**

**Term** Ceased 22 August 2022

30 years executive roles with global oil and gas, and energy companies.

### Anthony Kiernan AM

B.Eng-Mining

**Former Lead Independent Director**

**Term** Ceased 18 November 2021

Management and operation of listed resource companies (exploration, development and production), and capital markets experience.

### Bill Beament

B.Eng-Mining (Hons), MAICD

**Former Executive Chair**

**Term** Ceased 1 July 2021

Technical, senior management and executive roles with mining industry companies in Australia and Alaska, primarily underground.

### Raleigh Finlayson

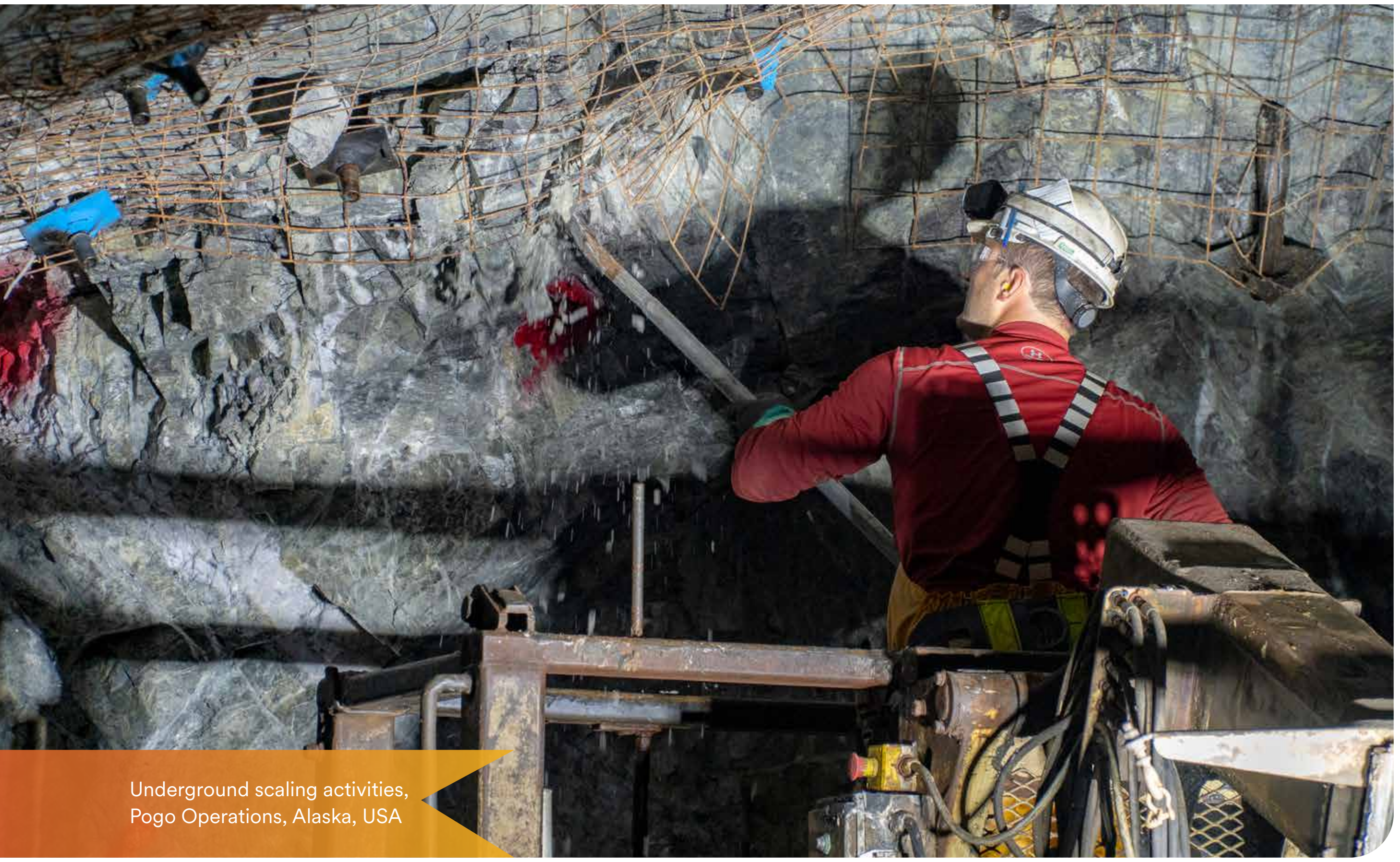
AdMineSurvey, Bsc (Mine & Eng Surveying), GradDipMinEng, GradCertAppFin

**Former Executive Director**

**Term** Ceased 22 September 2021

Technical, senior management and executive roles with mining industry companies operating in Australia, both open pit and underground.





Underground scaling activities, Pogo Operations, Alaska, USA





Goodpaster River near Pogo Operations, Alaska USA

## Board of Directors

The following persons comprised the Board of Directors at 30 June 2022.

**Michael Chaney AO** Chairman

**Stuart Tonkin** Managing Director & CEO

**John Fitzgerald** Non-Executive Director

**Mary Hackett** Non-Executive Director

**Nick Cernotta** Non-Executive Director

**John Richards** Non-Executive Director

**Sally Langer** Non-Executive Director

**Sharon Warburton** Non-Executive Director

The following Directors resigned during FY22:

**Bill Beament** resigned as Executive Chair on 1 July 2021

**Raleigh Finlayson** resigned as Executive Director on 22 September 2021

**Anthony Kiernan AM** resigned as Lead Independent Director on 18 November 2021

Since the end of FY22 **Mary Hackett** resigned as a Non-Executive Director on 22 August 2022.

## Company Secretary

**Hilary Macdonald** LLB (Hons), FGIA, was the Company Secretary (in addition to her role as Chief Legal Officer) for full year FY22. Ms Macdonald is a corporate and resources lawyer with 30 years' experience in the UK and Australia with particular focus on corporations and mining law, and governance.

See page 12 for Ms Macdonald's more detailed biography.

## Overview of Board changes

FY22 marked the return of the Northern Star Board being chaired by an independent director, with the resignation of Executive Chair Bill Beament and the appointment of Michael Chaney AO as Chairman on 1 July 2021. Stuart Tonkin joined the Board as Managing Director on 22 July 2021, having previously occupied the CEO role since November 2016 (and the COO role previous to that).

Northern Star's Board of Directors as at 30 June 2022







Sharon Warburton joined the Board as a Non-Executive Director on 1 September 2021. Former directors of Saracen (with whom the Company merged on 12 February 2021), Raleigh Finlayson (Executive Director) and Tony Kiernan AM (Lead Independent Director) resigned during FY22, on 22 September 2021 and 18 November 2021 respectively, taking the number of Directors to eight, three of whom are women (38%).

Since the end of FY22 Mary Hackett has resigned from the Board.

The Board acknowledges with gratitude the retired Directors' significant contributions to the development of the Company over the course of their terms of office.

## Outside directorships

**Table 1** Directorships in listed companies held by Directors over the past 3 years

| Director | Entity | Appointment |
|---|---|---|
| **Michael Chaney AO** | Chairman of Wesfarmers Limited | November 2015 to present |
| **Stuart Tonkin** | n/a | |
| **John Fitzgerald** | Director of Danakali Limited | February 2015 to October 2021 |
| | Chair of Medallion Metals Limited | January 2019 to present |
| | Chair of Turaco Gold Ltd | July 2021 to present |
| **Nick Cernotta** | Director of Pilbara Minerals Ltd | February 2017 to present |
| | Chair of Panoramic Resources Limited | May 2018 to present |
| | Director of New Century Resources Ltd | March 2019 to present |
| **John Richards** | Chair of Sandfire Resources Limited | January 2021 to present |
| | Director of Sheffield Resources Ltd | August 2019 to present |
| | Director of Adriatic Metals Plc | November 2019 to July 2020 |
| | Director of Saracen Mineral Holdings Limited | May 2019 to February 2021 |
| **Sally Langer** | Director of Sandfire Resources Limited | July 2020 to present |
| | Director of MMA Offshore Limited | May 2021 to present |
| | Director of Saracen Mineral Holdings Limited | May 2019 to February 2021 |
| **Sharon Warburton** | Director of Wesfarmers Limited | August 2019 to present |
| | Director of Worley Limited | February 2019 to present |
| | Director of Blackmores Limited | April 2021 to present |
| | Director of Gold Road Resources Limited | May 2016 to September 2021 |
| | Director and Co-Deputy Chairman of Fortescue Metals Group Limited | November 2013 to March 2020 (Co-Deputy Chairman from April 2017) |
| | Director of NEXTDC Limited | April 2017 to March 2020 |
| **Former Director** | **Entity** | **Appointment** |
| **Bill Beament** | Managing Director of Develop Global Limited | July 2021 to present |
| **Raleigh Finlayson** | Managing Director of Genesis Minerals Limited | February 2022 to present |
| | Managing Director of Saracen Mineral Holdings Limited | April 2013 to February 2021 |
| **Mary Hackett** | Director of Strike Energy Limited | October 2020 to present |
| **Anthony Kiernan** | Chairman of Redbank Copper Limited | April 2021 to present |
| | Chairman of Pilbara Minerals Ltd | July 2016 to present |
| | Director of Saracen Mineral Holdings Limited | September 2018 to February 2021 |
| | Chairman of Develop Global Limited | July 2010 to March 2021 |

## Board Committees

In FY22, the five Board Committees including Audit & Risk, Environmental Social & Safety, Exploration & Growth, Nomination and Remuneration Committees remained constant. Due to COVID-19 and border restrictions, some Board and Committee meetings were held virtually in FY22. Effective 1 July 2022, the Remuneration Committee has been changed to the People & Culture Committee, with responsibilities for organisational culture and people strategy in addition to remuneration.

Attendance of current and former Directors at meetings of the Board and its Committees during FY22 is detailed in Table 2 below.

**Table 2** Committee membership and Director attendance[1] at meetings held during FY22[2,3]

| Director | Board[4] | Audit & Risk[5] | Environmental Social & Safety[6] | Exploration & Growth[7] | Nomination[8] | Remuneration[9] |
|---|---|---|---|---|---|---|
| **Michael Chaney AO[10]** | Chairman 16 of 16 | - | - | Member 4 of 4 | Member 1 of 1 | Member 2 of 2 |
| **Stuart Tonkin** | Member 16 of 16 | - | - | - | - | - |
| **John Fitzgerald** | Member 16 of 16 | Chair 6 of 6 | - | - | Member 1 of 1 | Member 8 of 8 |
| **Nick Cernotta** | Member 16 of 16 | - | - | Member 4 of 4 | Member 1 of 1 | Chair 8 of 8 |
| **John Richards** | Member 16 of 16 | Member 6 of 6 | - | Chair 4 of 4 | Member 1 of 1 | - |
| **Sally Langer** | Member 16 of 16 | Member 6 of 6 | Member 4 of 4 | - | Member 1 of 1 | Member 8 of 8 |
| **Sharon Warburton[11]** | Member 14 of 14 | - | Member 3 of 3 | - | Member - | Member 2 of 2 |
| **Former Director** | **Board** | **Audit & Risk** | **Environmental Social & Safety** | **Exploration & Growth** | **Nomination** | **Remuneration** |
| **Bill Beament[12]** | Chair - | - | Member - | Member - | - | - |
| **Raleigh Finlayson** | Member 2 of 2 | - | - | - | - | - |
| **Mary Hackett** | Member 16 of 16 | Member 6 of 6 | Chair 4 of 4 | - | Member 1 of 1 | - |
| **Anthony Kiernan** | Member 5 of 6 | - | Member 1 of 1 | - | Chair 1 of 1 | Member 6 of 6 |

1. Attendance at meetings while the Director held office, or was a member of the Committee, during FY22 at which the Director was eligible to attend (i.e. not excluded due to a conflict of interest). See footnotes for details of Committee meetings Directors attended in an invitee/observer capacity only. A dash indicates the Director was not a member of that Committee during FY22.
2. There were a number of Board/Committee meetings at which only Directors with delegated authority were present, not included in the table above.
3. During FY22 meetings of the Non-Executive Directors were held immediately before most Board meetings, without any executive Directors in attendance
4. 4 special purpose Board meetings were held in FY22 (in addition to monthly Board meetings) for business development related business.
5. The following Directors attended Audit & Risk Committee meetings in FY22 in an invitee/observer capacity: Michael Chaney AO 4 meetings, Stuart Tonkin 1 meeting, Sharon Warburton 3 meetings, and Anthony Kiernan AM 1 meeting.
6. The following Directors attended Environmental, Social & Safety Committee meetings in FY22 in an invitee/observer capacity: Michael Chaney AO 4 meetings, Stuart Tonkin 2 meetings, and Raleigh Finlayson 1 meeting.
7. The following Directors attended Exploration & Growth Committee meetings in FY22 in an invitee/observer capacity: Stuart Tonkin 4 meetings, John Fitzgerald 2 meetings, Mary Hackett 1 meeting, Sally Langer 2 meetings, Sharon Warburton 2 meetings, and Raleigh Finlayson 1 meeting.
8. Stuart Tonkin attended 1 Nomination Committee meeting in FY22 in an invitee/observer capacity.
9. The following Directors attended Remuneration Committee meetings in FY22 in an invitee/observer capacity: Michael Chaney AO 4 meetings (prior to his joining the Committee), Stuart Tonkin 3 meetings, and Mary Hackett 1 meeting.
10. Michael Chaney AO joined the Remuneration Committee on 15 October 2021 and chairs the Nomination Committee since Anthony Kiernan's resignation on 18 November 2021.
11. Sharon Warburton joined the Remuneration Committee, and the Environmental, Social & Safety Committee, on 15 October 2021.
12. Bill Beament did not attend any meetings in FY22 as his term on the Board ended on 1 July 2022.







## Board evaluation

Northern Star prioritises effective corporate governance and advancing the Company's culture of continuous improvement, including by evaluating Director performance annually. In FY22 the Board engaged external experienced governance specialists to undertake the annual performance evaluation of the Board and its Committees.

The FY22 Board review focused on assessing Board drivers and dynamics, governance matters, areas of strength and opportunities for improvement, in the context of the Company's strategic agenda and priorities. Areas of assessment included:

- Organisational strategy and objectives;
- Director characteristics and the contributions of each Director;
- Board behaviour, including relationships between the Directors and with management, critical thinking and agile decision making;
- the effectiveness and performance of the Board, its Committees and the relationship with the management team;
- the effectiveness of Board governance practices, including the Board's oversight of risk management systems;
- Board composition and the alignment of Board skills to strategy, including current and future needs;
- the Board's role in shaping and overseeing culture within the organisation; and
- the quality of materials put to the Board.

The evaluation involved the Directors completing detailed questionnaires, and included hour long interviews with the Executive KMP to gain useful insights into Board and management relationships. A comprehensive report was delivered on overall Board effectiveness, as well as individual Director feedback reports, based on review of key governance materials and conversations held with all Directors and Executives.

Overall, the Board and each Committee was evaluated as being cohesive and highly effective, with a demonstrated strong commitment to Northern Star's success, and sound dynamics between Board members and with management.

Following the evaluation, the Board resolved to restructure the Remuneration Committee as a People & Culture Committee from 1 July 2022, with the additional responsibility of overseeing organisational culture (previously a responsibility of the ESS Committee).

Rock pools at Carosue Dam, Kalgoorlie Production Centre, Western Australia

## Board skills matrix

Northern Star considers that assessing the optimal Board skills, and periodically measuring the Board's skills, is essential to Board composition and succession planning, including identifying any potential emerging gaps and ensuring there is an appropriate balance of and diversity of skills, experience and expertise on the Board.

The Board skills matrix was substantially reviewed in FY22. The Company engaged external governance specialists to formulate and update the skills matrix in conjunction with the Chairman and Company Secretary. An in-depth analysis of the Board's skills, experience and diversity factors was then undertaken.

Similar to previous years, each Non-Executive Director was asked to self-assess their own levels of skill, capability and experience in 69 different areas, grouped into 9 categories, against a four-tier scale (from 'Limited' to 'Expert'). The Managing Director & CEO was not included in the assessment, as the purpose is to determine the Non-Executive Directors' collective depth of understanding, experience and capability in overseeing executive decisions and actions. The 9 categories were selected on the basis of the Company's nature and scale, industry and jurisdictions in which it operates, workforce, operations and business strategy. The Board's self-assessment against the new FY22 Board skills matrix demonstrated extensive skills, capability and experience in leadership, strategy, people & culture, and risk legal & governance, with finance & accounting well represented with 3 Directors at the 'Expert' level. Although the Board has limited direct skills and experience in IT & Digital, the Board leads strategy on and has oversight of management's adoption of technology advancements, and cyber security and technology failure risk management. Overall, an appropriate diversity of skills, knowledge and experience is represented on the Northern Star Board. An overview of the results of the skills matrix is depicted in Table 3 below.

**Table 3** Summary of skills measured in the updated FY22 Board skills matrix

| Skills | Description of skill category | Board rating[13] |
|---|---|---|
| Leadership | Senior executive or director leadership experience in organisations of comparable size and complexity | 80 |
| Strategy | Experience in corporate planning, capital allocation, devising implementing and monitoring performance against strategic objectives, and M&A divestments and business integration | 75 |
| Mining industry experience | Experience in resource exploration/development, major projects, mining operations, environmental management or commodities | 60 |
| People & Culture | Experience assessing and shaping organisational culture, people management, retention and succession planning, setting remuneration frameworks, overseeing health, safety and wellbeing programs, and promoting diversity and inclusion | 75 |
| Risk, Legal & Governance | Experience identifying, assessing and managing financial and non-financial risks, overseeing risk management frameworks and controls, identifying and resolving legal and regulatory issues, and compliance with highest standards of corporate governance | 75 |
| Finance & Accounting | Understanding of financial statements and reporting, overseeing external and internal audit, understanding effectiveness of financial controls, and debt and equity markets experience | 72 |
| Information Technology & Digital | Understanding information technology systems and associated risks, technological innovation in resources, use of data and analytics, and experience responding to digital disruption and cyber security incidents | 35 |
| Shareholders & Stakeholders | Experience engaging with shareholders and stakeholders on performance and strategy, understanding of Indigenous communities and culture, and experience working with government and industry regulators | 58 |
| Sustainability | Understanding of shifting community expectations, disclosure and reporting requirements, and global and national developments in ESG issues including climate change and human rights | 62 |

**Board Rating Key** Top quartile Second quartile Third quartile Fourth quartile

13. Out of 100







## Board diversity

In addition to the Board skills matrix analysis, the external governance specialists conducted a detailed analysis of the Board's composition, with a view to evaluating whether the Board has diversity that optimises decision making. The key areas of cognitive, experiential, personality and demographic diversity were assessed, with each Director identifying where they considered they and the Board sat along a continuum.

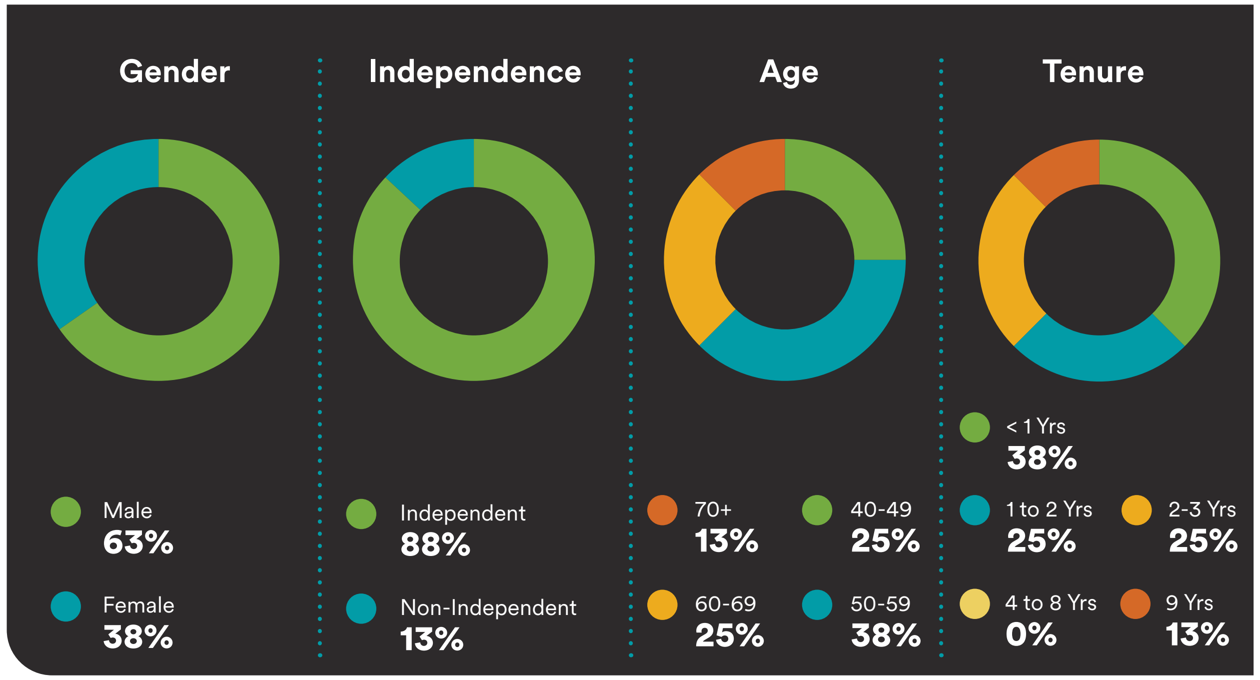
The findings indicated the Board has good diversity and balance across the diversity indicators, including:

- a high level of experiential diversity, with experience across both established large institutions and start up organisations;
- appropriate cognitive diversity, with strong representation of analytical ability; and
- a good balance in personality diversity, ensuring both a willingness to scrutinise and work cooperatively with management.

As at 30 June 2022, Northern Star's gender diversity on the Board of 38% women is above its 30% target (set in FY19 for achievement by 31 December 2021, in line with ASX Recommendation 1.5) and above the 35% women average of ASX 50 boards[14]. The Board also has diversity of both age and tenure, as depicted in Figure 1 below.

The Board supports the view that truly diverse boards have more perspectives with which to address challenges, less risk of groupthink, and consequently may engage in more robust debate and better informed decision-making.[14] The Board's composition is regularly reviewed to ensure that an appropriate balance of skills, experience, expertise and all aspects of diversity is represented on the Board. In future Board appointments, the Board is committed to expanding its diverse base of experience, age, ethnicity and gender.

**Figure 1** Diversity statistics of the Board at 30 June 2022[15]




14. 2022 Board Diversity Index published by Governance Institute/Watermark.
15. These percentage figures have been rounded.

## Review of operations

A review of the operations and financial position of the Group and its business strategies and prospects is set out in the Operating and Financial Review section at pages 14 to 39 of this Annual Report.

## Principal activities

In FY22 the principal activities of the Group were:

- exploration, development, mining and processing of gold deposits and sale of refined gold derived from its three regional production centres: the Kalgoorlie Operations (including KCGM) and Yandal Operations in Western Australia, and the Pogo Operations in Alaska; and
- exploration of gold deposits in Western Australia, the Northern Territory and Alaska.

## Dividends paid

**Table 4** Dividends paid in FY22 and FY21

| | FY22 $'000 | FY21 $'000 |
|---|---|---|
| Interim ordinary dividend for FY20 of 7.5 cents per fully paid Share paid on 16 July 2020 | n/a | $55,503 |
| Final ordinary dividend for FY21 of 9.5 cents (FY20: 9.5 cents) per fully paid Share paid on 29 September 2021[16] | $110,637 | $70,377 |
| Special dividend of 10 cents per fully paid Share paid on 30 September 2020 | n/a | $74,080 |
| Interim ordinary dividend for FY22 of 10 cents (FY21: 9.5 cents) per fully paid Share paid on 29 March 2022[17] | $116,448 | $110,513 |
| **Total** | **$227,085** | **$310,473** |

## Dividends recommended but not yet paid

Since the end of FY22, on 28 August 2022 the Directors have recommended the payment of a fully-franked final ordinary dividend of $134.0 million (11.5 cents per fully paid Share; FY21: 9.5 cents), to be paid on 29 September 2022 out of retained earnings at 30 June 2022.

## Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during FY22 include:

- the issuance of a C$154 million (A$169 million) convertible senior unsecured debenture with Osisko Mining Inc;
- the sale of the Kundana Assets to Evolution Mining Ltd announced 22 July 2021 and completed 18 August 2021;
- the acquisition of Newmont Corporation's power business in Kalgoorlie, including a 50% interest in the 110MW Parkeston Power Station announced 23 November 2021 and completed 1 December 2021; and
- the sale of the Paulsens and Western Tanami Gold Assets to Black Cat Syndicate Limited announced 13 April 2022 and completed 15 June 2022.

For further details on the above acquisition and divestments refer to Note 3 of the financial statements.

16. DRP price $9.32 being the 5-day VWAP immediately after the record date of 7/9/2021.
17. DRP price $10.75 being the 5-day VWAP immediately after the record date of 8/3/2022.





## Events since the end of FY22

Since 30 June 2022, in addition to the final fully-franked dividend mentioned on the previous page, the Board approved an on-market share buy-back of up to $300 million to be completed over the 12 months from 15 September 2022. See Note 19 to the financial statements for further details.

## Likely developments and expected results of operations

There are no likely developments to disclose in the Group's operations in future financial years.

## Performance in relation to environmental regulation

The Group's exploration, mining and processing operations are subject to Commonwealth of Australia, Western Australian, Northern Territory, State of Alaska and Federal US legislation which regulates the environmental aspects of the Group's activities, including discharges to the air, surface water and groundwater, and the storage and use of hazardous materials. The Group is not aware of any material breach of environmental legislation and regulations applicable to the Company's operations during FY22. A notification of breach was received in 2021, following an inspection during 2019 by the United States Environmental Protection Agency at our Pogo Operations. Northern Star received notification that several waste streams at the assay laboratory in the Pogo processing plant were not determined, registered and managed according to Resource Conservation and Recovery Act (RCRA) technical requirements. Whilst there was no harm caused to the environment, the breach of RCRA will result in financial penalties during FY23, which are currently under discussion. The Company is expanding its current training in RCRA compliance to address any gaps identified to meet RCRA requirements. The Group continues to comply with environmental regulations in all material respects.

## Insurance of officers and indemnities

During FY22 the Company has paid a premium to insure the Directors and Officers of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance. The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as officers of entities in the Group, to the extent permitted by the Corporations Act. In addition, similar liabilities are insured for Officers holding the position of nominee Director for the Company in other entities.

## Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## Non-audit services

The Company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the Company and/or Group are important. Details of the amounts paid or payable to the Auditor (Deloitte Touche Tohmatsu) for the audit services provided during FY22 are disclosed in Note 22 to the financial statements.

The Company adopted a Policy for Provision of Non-Audit Services by External Auditor during FY22. In addition to fees for audit services, Deloitte Touche Tohmatsu provided consulting services to the value of $79,000 in FY22, as detailed in Note 22 to the financial statements.

## Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act is set out on page 102.

## Rounding

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest hundred thousand dollars, or in certain cases, the nearest dollar.

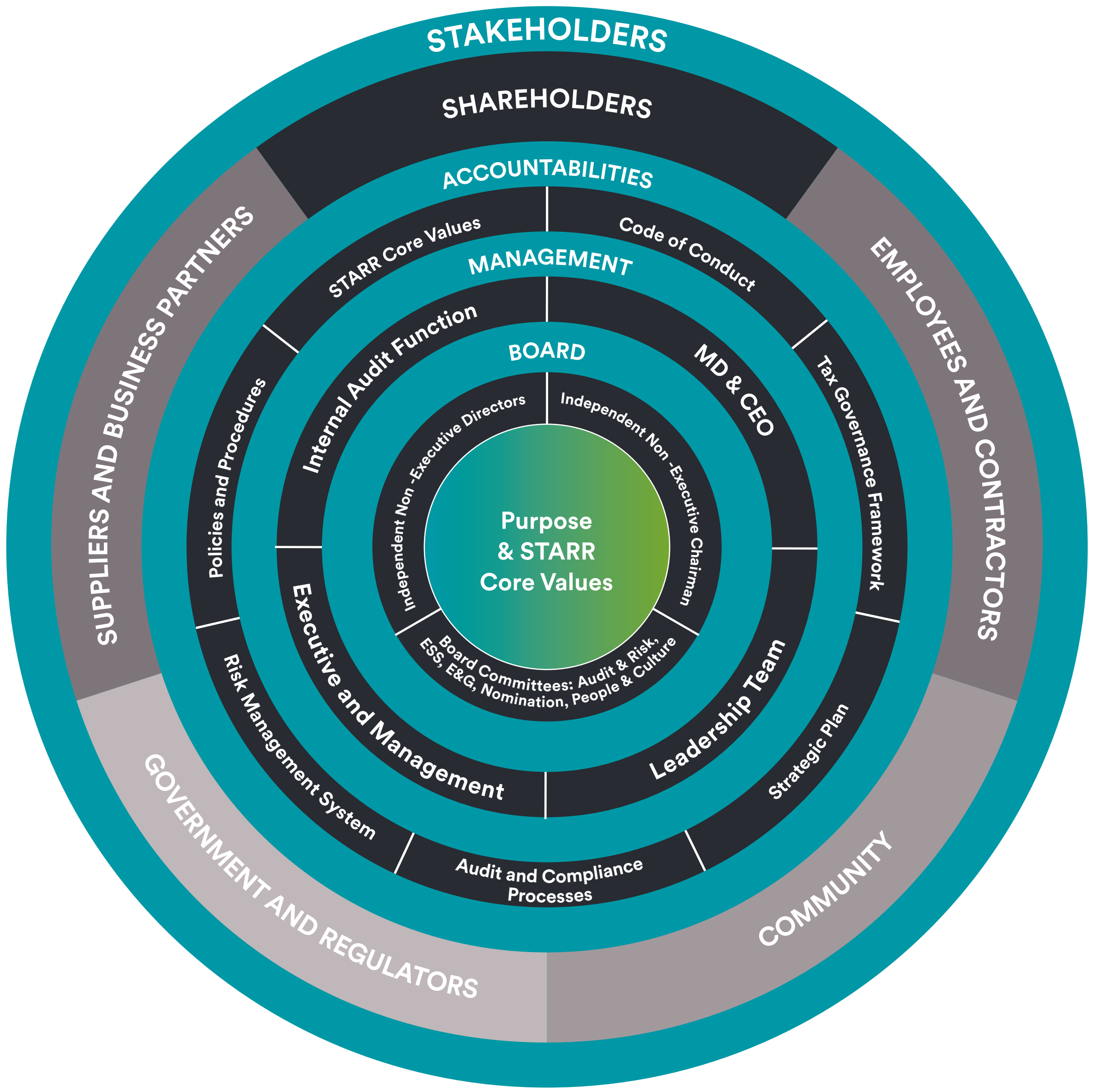
## Corporate Governance Statement

Northern Star and the Board are committed to consistently demonstrating the highest standards of corporate governance. In addition to this Annual Report, a description of the Company's current corporate governance practices is set out in the Corporate Governance Statement (http://www.nsrltd.com/about/corporate-governance/).

This report is made in accordance with a Resolution of Directors dated 28 August 2022.

**Michael Chaney AO**
Chairman
28 August 2022

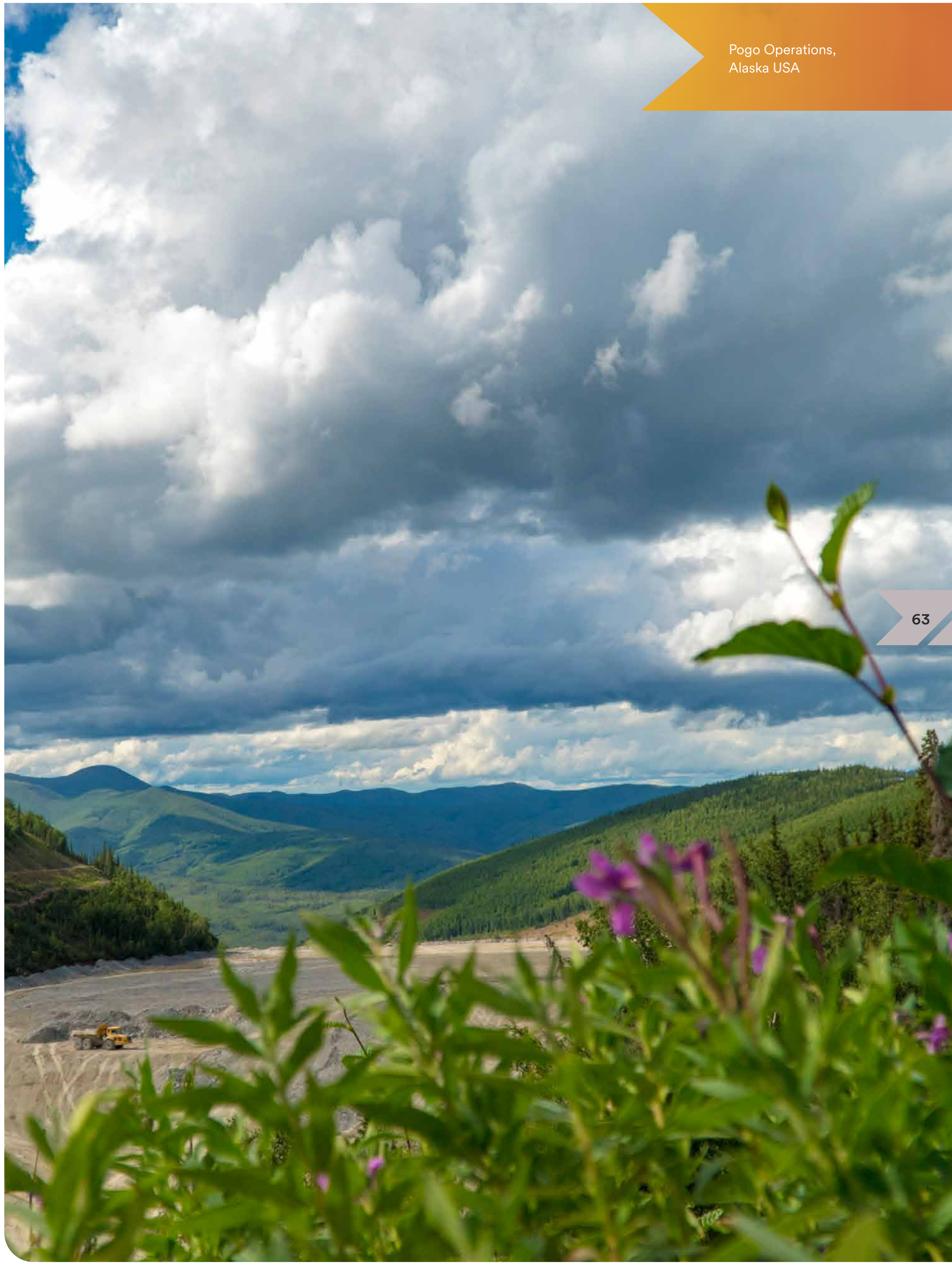
**Figure 2** Corporate Governance framework









Pogo Operations, Alaska USA

# Remuneration Report

# Letter from the Chair of the People & Culture Committee

**Dear shareholder,**

On behalf of the Board of Directors of Northern Star Resources Ltd, I am pleased to provide to you the Remuneration Report for the financial year ended 30 June 2022.

We responded to the feedback received in relation to the FY20 Remuneration Report and the "first strike", and I am pleased with the overwhelming 97% vote in support of the FY21 Remuneration Report at the 2021 Annual General Meeting.

Northern Star is in a strong position, with gold sold of 1.56 million ounces in FY22 generating Cash Earnings of over $1 billion. At 30 June 2022 we held cash and bullion of $628 million and liquidity of $1.5 billion, all underpinned by a solid platform of 56.4 million ounces of Mineral Resources and 20.7 million ounces of Ore Reserves. Interim and final dividends paid to our shareholders during FY22 totalled $227.1 million including dividends reinvested under our Dividend Reinvestment Plan.

FY22 was a challenging period for our workforce in Australia and the US, and we saw extraordinary efforts applied to manage the challenges and achieve the best results possible. We experienced cost pressures across the operations (notably in relation to labour, steel, fuel and energy) and resourcing pressures with continuing skill shortages and ongoing competition for labour. The COVID-19 disruption continues to impact workforce numbers and we adjust our plans accordingly. These impacts are being experienced globally.

## FY22 Remuneration Outcomes – FY22 STI performance rights – (52.4% result)

The Company's FY22 short term incentive performance rights were measured on 30 June 2022, following a one year performance period, achieving a 52.4% outcome.

The safety outcome with a TRIFR of 2.0 is outstanding, likely industry leading and significantly better than the performance measure threshold target of 5.0. We are incredibly proud of our safety performance which continues to remain better than the industry standard, an exceptional achievement and clear evidence of continual safety improvement, consistent with the STARR Core Values. This improvement in the last 12 months was achieved in the context of:

- the enlarged Group operations;
- significant project expansion and shutdown work;
- the impact of COVID-19 continuing at all of our sites;
- the labour market pressures leading to a larger than normal percentage of new and inexperienced starters; and
- the sheer number of worker hours involved in our underground, open pit and processing operations.

The excellent 86% result for participation in the November 2021 culture survey and the employee engagement score of 68% set a new baseline for the combined Group. To address feedback we received during the culture survey, significant efforts will continue to focus on and reinforce each of the STARR Core Values.

Production Performance delivered inside Group guidance and Financial Management delivered inside a revised cost guidance. The actual AISC outcome was $1,633. The Board exercised its discretion to normalise the AISC to $1,555/oz, in order to acknowledge extraordinary cost escalations experienced and outside of the control of Management, such as labour, steel, fuel and energy.

This discretion resulted in an increase of the FY22 STI measurement outcome, from 34.4% to 52.4%.








## FY22 Remuneration Outcomes – FY20 LTI performance rights – (35% result)

The Company's FY20 long term incentive performance rights were measured on 30 June 2022, following a three year performance period, achieving a 35% outcome. Whilst reflective of our relative shareholder return against our Peer group and a Gold Index, this does not reflect the significant efforts made in what has been a transformative period for the Company since 1 July 2019, notably the acquisition of a 50% interest in the KCGM Operations in January 2020, and implementation of the Scheme of Arrangement with Saracen in February 2021, resulting in the Fimiston Open Pit (Super Pit) being controlled by a single entity for the first time in its history.

Results for the FY20 LTI key performance indicators:

- Financial Performance was almost fully met; this was very pleasing, given the operational challenges the Company operated under;
- Ore Reserve maintenance and growth performance measures were met, including the acquisition of the KCGM Operations; and
- notwithstanding the significantly improved physicals at Pogo demonstrating the future capacity to meet 300kozpa, Pogo Operations did not achieve the ramp up to that sustainable production level, required to be met by 30 June 2022.

No discretion was applied by the Board to adjust these outcomes or the performance measures.

Half of the vested FY20 LTI were subject to a holding lock for 12 months until 30 June 2023. The Board has exercised discretion to remove that requirement, given the relatively low level of vesting. Noting that there is no service condition contributing to retention of employees and with no adverse effect on the business, exercising this change enables the relevant employees to better manage their tax arrangements in connection with the vested FY20 LTI. It also offers a degree of welcomed flexibility to our key employees and actually enhances employee retention.

## FY23 Remuneration

No changes have been made to fixed and variable remuneration for the KMP, other than small adjustments to weightings, in response to investor feedback. The Committee considers that the FY23 remuneration framework ensures there is effective alignment between shareholder wealth creation, performance and reward, taking into account the size and complexity of the Company's operations.

Board fees remained unchanged, noting that Board remuneration is now paid entirely in cash since awards under the FY20 NED Share Plan are no longer being proposed. Whilst the Salary Sacrifice option for Non-Executive Directors will no longer be available the Minimum Holding Policy, which encourages greater alignment between the Board and shareholder interests, through a gradual accumulation of equity over a defined period, remains intact. Pleasingly all Company Directors are current shareholders and intend to progressively increase their respective shareholdings, up to the value of their annual base fee as a minimum.

## FY23 STI awards – performance measures

The FY23 STI performance measures follow in a similar vein to the FY22 STI. The Board has marginally increased the weighting on gold sales, recognising that the biggest lever to reducing all-in sustaining costs is by increasing gold sales. Increased gold sales is also aligned to our longer term objectives of being a 2Moz pa producer and generator of better cash returns.

## FY23 LTI awards – performance measures

Consistent with the FY22 LTI awards, the FY23 LTI performance rights are subject to a four year measurement period. The performance measures for the FY23 LTI awards comprise:

- relative total shareholder return against a specific gold peer group, (40% weighting this year up from 35%);
- relative total shareholder return against the Global Gold Index peer group, (40% weighting this year up from 35%), and
- demonstration of tangible, sustainable Scope 1 and 2 carbon Emissions Reductions of 150,000 tonnes $CO_2$ equivalent between 1 July 2021 and 30 June 2026 below business as usual levels (20% weighting to ESG this year, down from 30%).[1] The Board resolved that the same principles will apply to the metric for the FY22 LTI-1 and LTI-2 KPIs.

The changes in weightings reflect feedback from investors from last year's engagement meetings.

The Board is confident that the FY23 remuneration structure is appropriate to reward and retain the high performing team at Northern Star. The Committee will continue to monitor the reward structure in place to assist with effective retention of KMP and the broader leadership and management teams, particularly during times where retention of quality and skilled labour is business critical.

Lastly, the Remuneration Committee identified that modification of its scope to include leadership development; culture overview; people strategy and wellbeing would be beneficial, and that it would be appropriate to reflect this expanded purpose with a new name - the People & Culture Committee. The Board implemented these changes with effect from 1 July 2022.

On behalf of the Board, your continued support as a shareholder is greatly appreciated.

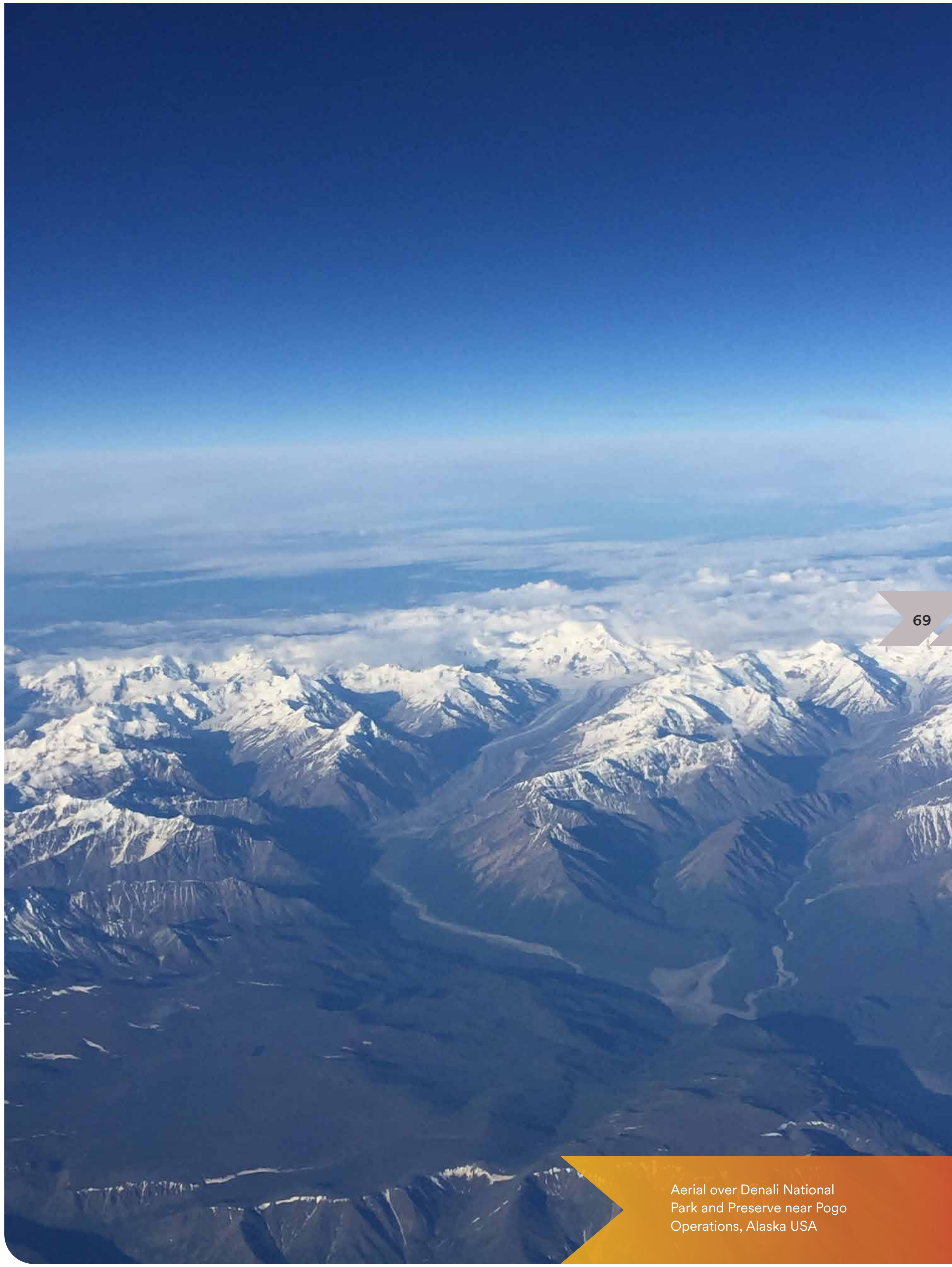
Yours sincerely

**Nick Cernotta**
People & Culture
Committee Chair
28 August 2022

1. For the avoidance of doubt the 150,000 t ($CO_2$ Equivalent) target for the FY23 LTI will take into account any aggregate reduction achieved under the FY22 LTI-2 and LTI-1 KPI by end of FY25.







Aerial over Denali National Park and Preserve near Pogo Operations, Alaska USA

# Transparency in reporting Key Management Personnel Remuneration

Easy to access information and transparency in remuneration reporting is important to Northern Star and its shareholders. This Remuneration Report includes the following voluntary and statutory disclosures:

## Contents









# Background to the Company's KMP remuneration practices and governance

## 1. Details of the Key Management Personnel

The following Directors and Executives were the Company's Key Management Personnel **(KMP)** in FY22. Former Executives and Non-Executive Directors who were KMP for part of FY22 and FY21 are also covered by this Report, where required. Movement since 30 June 2022 to the date of this Report is also included.

**Table 1** Key Management Personnel during FY22 and movement after 30 June 2022

| KMP | Role | Appointment Date | Ceased Date |
|---|---|---|---|
| **Executives** | | | |
| **Stuart Tonkin** | Managing Director & CEO | 22 July 2021[3] | - |
| **Simon Jessop** | Chief Operating Officer | 12 February 2021 | - |
| **Ryan Gurner** | Chief Financial Officer | 31 December 2021[3] | - |
| **Hilary Macdonald** | Chief Legal Officer & Company Secretary | 23 February 2018 | - |
| **Non-Executive Directors** | | | |
| **Michael Chaney AO** | Chairman | 1 July 2021 | - |
| **John Fitzgerald** | Non-Executive Director | 30 November 2012 | - |
| **Nick Cernotta** | Non-Executive Director | 1 July 2019 | - |
| **John Richards** | Non-Executive Director | 12 February 2021 | - |
| **Sally Langer** | Non-Executive Director | 12 February 2021 | - |
| **Sharon Warburton** | Non-Executive Director | 1 September 2021 | - |
| **Former KMP** | **Role** | **Appointment Date** | **Ceased Date** |
| **Former Executives** | | | |
| **Bill Beament** | Executive Chair | 20 August 2007 | 1 July 2021 |
| **Raleigh Finlayson** | Executive Director | 22 July 2021[4] | 30 September 2021 |
| **Morgan Ball** | Chief Financial Officer | 12 February 2021 | 31 December 2021 |
| **Former Non-Executive Directors** | | | |
| **Mary Hackett** | Non-Executive Director | 1 July 2019 | 22 August 2022 |
| **Anthony Kiernan** | Non-Executive Director | 12 February 2021 | 18 November 2021 |

2. Previously CEO from 29 October 2016, and COO from 2013-2016.
3. Previously EGM Finance from 12 February 2021.
4. Previously Managing Director from 12 February 2021.

## 2. Remuneration Governance

The People & Culture Committee (formerly the Remuneration Committee) is chaired by independent Non-Executive Director, Nick Cernotta, and its members are independent non-executive Directors, Michael Chaney AO, John Fitzgerald, Sally Langer and Sharon Warburton. The Managing Director & CEO and other Directors have a standing invitation to attend all or part of the Committee meetings but do not participate in recommendations by the Committee to the Board.

The Committee meets several times a year as required to review and make recommendations to the Board in accordance with the Committee Charter to ensure that KMP remuneration remains aligned to business needs and performance and to ensure that equity plans are appropriate for all employees. A copy of the Charter is available under the Corporate Governance section of the Company's website available at http://www.nsrltd.com.

In FY22, the role of the Remuneration Committee was to review and make recommendations to the Board in relation to KMP and other executives in respect of:

- Remuneration and incentive policy including structures, practices, and quantum;
- Determining the eligibility, award and vesting of Short Term Incentives (STI) and Long Term Incentives (LTI);
- Non-Executive Director individual remuneration, and the aggregate pool for approval by shareholders (as required);
- Disclosure of remuneration in the Company's public materials including ASX releases and the Annual Report;
- Superannuation arrangements; and
- Overseeing remuneration by gender and other diversity measures.

From time to time, advice and recommendations are sought from remuneration consultants observing the following protocols:

- Remuneration consultants are engaged by and report directly to the Remuneration Committee;
- The Committee must, in deciding whether to approve the engagement, have regard to any potential conflicts of interest including factors that may influence independence such as previous and future work performed by the adviser and any relationships that exist between any executive KMP and the consultant; and
- Communication between the remuneration consultants and Executive KMP is restricted to minimise the risk of any allegations of undue influence on the remuneration consultant.

The Board makes its decisions after it considers the recommendations from the Remuneration Committee and any advice from remuneration consultants.

No remuneration recommendations (within the meaning of the Corporations Act) were sought or made during FY22.

The advisory vote to adopt the FY21 Remuneration Report was passed by 97% of shareholders who voted, at the Company's annual general meeting held on 18 November 2021.

**Robust remuneration governance is essential to delivering Executive pay that fairly attracts and retains talent, and fairly rewards performance that creates sustainable value consistent with the long-term interests of shareholders.**







## 3. Financial performance over the past 5 years

The charts below illustrate some of the Company's FY22 key financial achievements:

**Figure 1** Cash flow from Operations (A$M)

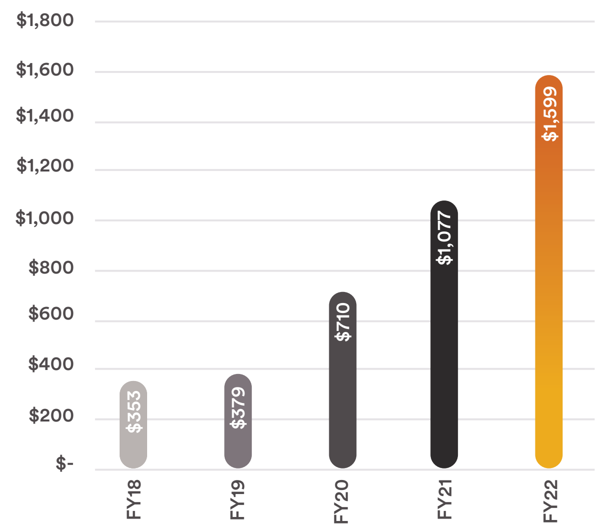



**Figure 2** Underlying EBITDA (A$M)

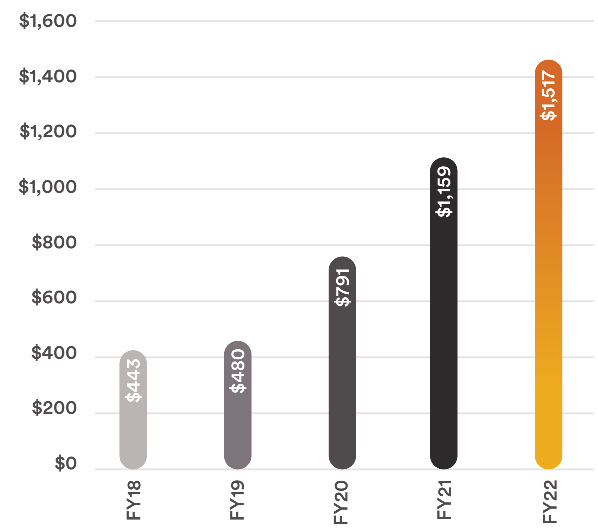



**Figure 3** Gold Sold (oz)[5]

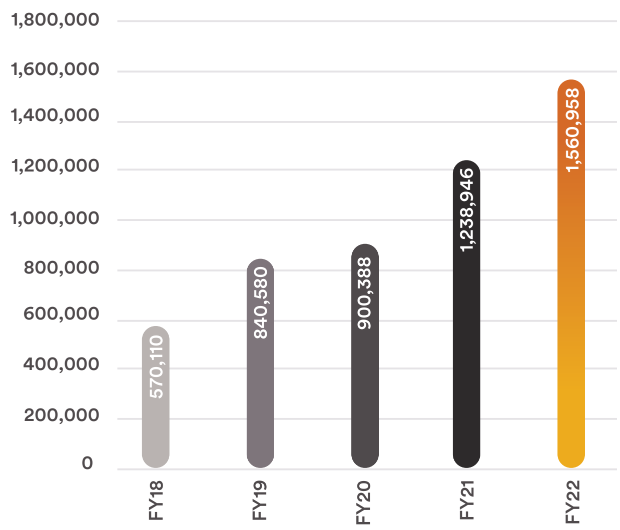
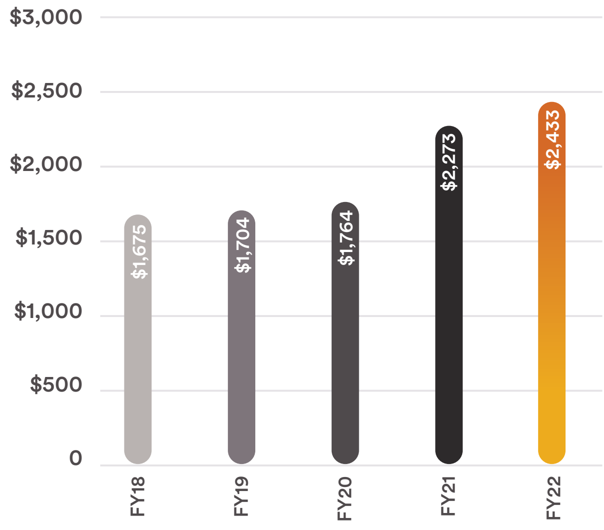



**Figure 4** Average Gold Price (A$/oz)




5. Gold Sold includes pre-production sales that were capitalised to Mine Properties.

## 4. KMP remuneration policy and link to performance

Our remuneration policy is designed to support our Purpose: To generate superior returns for our shareholders while providing positive benefits for our stakeholders, through operational effectiveness, exploration and active portfolio management.

Our KMP remuneration policy and practices underpin our business objectives, which include:

| Results | Returns | Responsibility |
|---|---|---|
| Deliver on our promises | Target superior financial performance | Positive legacy from business activity |

The table below outlines the remuneration policy framework which applied in FY22.

**Table 2** FY22 remuneration framework

| Policy objective | Remuneration practices aligned with policy objective |
|---|---|
| **Retain an experienced, cohesive, proven, high performance, multi-disciplinary team to deliver the Company's strategic objectives** | • Provide remuneration that is internally fair and benchmarked against appropriate peer group on a regular basis.<br>• Ensure remuneration is competitive with the gold industry labour market and other competition for our people.<br>• Provide total remuneration opportunities to retain proven and experienced KMP who are global company poaching targets. |
| **Align KMP interests with the interests of shareholders** | • A significant proportion of remuneration is at risk, performance-based and delivered in Shares, aligning Executive KMP reward with increased value for shareholders.<br>• Performance metrics measured against stretch targets that reward for longer term value, consistent with our business strategy.<br>• Minimum holding condition policy applies to KMP requiring a minimum level of Share and vested Performance Rights ownership as follows:<br>- Managing Director & CEO: 100% of FAR[6]<br>- COO, CFO, CLO & Co Sec: 50% of FAR<br>- Non-Executive Directors: 100% NED base fee |
| **Focus on safety** | • Safety performance metrics (employee and contractors) building in year on year improvements, to measure performance over different time horizons for sound risk management and to ensure outcomes focus on the longer term.<br>• No fatality gateway for STI & LTI safety metrics. |
| **Focus on sustained costs and annual gold sales** | • STI including delivering within guidance:<br>- Challenging annual production performance and gold sales targets; and<br>- All-In Sustaining Cost (AISC). |
| **Focus on our people and create a desirable Company culture** | • Provide targeted strategic incentives from the top down, to promote improvements in organisational culture, to attract and retain a diverse and inclusive workforce in line with the STARR Core Values.[7]<br>• Focus and facilitate the development and retention of our people to ensure a sustainable pipeline of diverse talent within the business. |
| **Focus on positive ESG outcomes** | • Deliver positive ESG outcomes for the benefit of our stakeholders and the communities in which we operate.<br>• Focus on achieving an absolute reduction in greenhouse gas emissions, developing a sustainable Indigenous business supply contract pipeline, and responsible water management. |
| **Ability to apply malus and clawback** | • The Board may reduce unvested awards, and clawback previously vested Awards within two years of being delivered in Shares, in instances of significant negligence, non-compliance or other harmful act by the individual, or where retaining such Award would be grossly unjustifiable. The Board reduced unvested awards during FY22 for misconduct reasons, in relation to former employees. |

6. FAR means fixed annual remuneration comprising base salary plus superannuation.
7. Our STARR Core Values are: Safety, Teamwork, Accountability, Respect, Results.





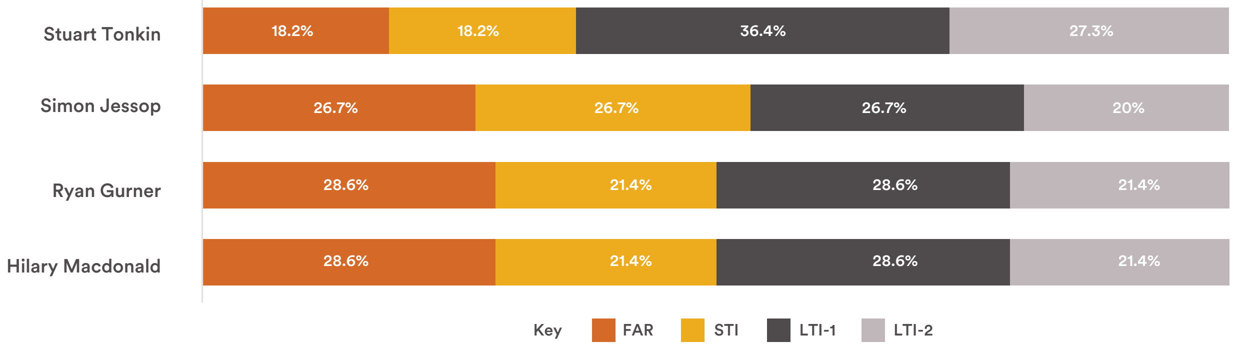


# FY22 Executive KMP remuneration

## 5. Executive KMP remuneration mix for FY22

Executive remuneration has a fixed component (base salary plus superannuation capped at $25,000 per annum) and a component that varies with performance (STI and LTI). The remuneration mix is weighted towards the variable component, which is awarded in cash and Performance Rights for STI (with ability to elect to take 100% in Performance Rights), and in Performance Rights for LTI, to reward for achievement of strategic objectives aligned with shareholders' interests.

**Figure 5** FY22 total remuneration opportunity mix for Northern Star Executive KMP[8,9]




The following sections 6 to 14 of this Report provide more information about:

- FAR;
- STI and LTI KPIs;
- measurement of performance against the FY22 STI;
- measurement of performance against the FY20 LTI; and
- FY23 FAR, STI and LTI for the Executive KMP including rationale for the KPIs selected.

## 6. FAR for FY22

Fixed annual remuneration (FAR) comprises employees' cash salary and the direct costs of employee benefits, aimed at providing a base level of remuneration appropriate for the particular role and level of responsibility that is competitive in the market.

The key elements of FAR paid to the Executive KMP are:

- Cash salary, plus superannuation capped at $25,000 per annum.
- Benchmarking of salaries annually against ASX 100 and mining industry peers for comparable roles and responsibilities.
- Periodic remuneration reviews conducted by the Remuneration Committee.

See Table 15 (statutory remuneration table) for FAR paid to the Executive KMP in FY22 (compared to FY21), and see Table 11 for the FAR payable to Executive KMP for FY23.

8. These figures have been rounded. Figure 5 is a voluntary disclosure included in this Report to improve transparency around how Northern Star rewards Executive KMP and has not been prepared in accordance with Australian Accounting Standards.
9. Stuart Tonkin FY22 maximum opportunity = FAR (100%), STI (100% of FAR), LTI-1 (200% of FAR) and LTI-2 (150% of FAR).
Simon Jessop FY22 maximum opportunity = FAR (100%), STI (100% of FAR), LTI-1 (100% of FAR) and LTI-2 (75% of FAR).
Ryan Gurner FY22 maximum opportunity = FAR (100%), STI (75% of FAR), LTI-1 (100% of FAR) and LTI-2 (75% of FAR).
Hilary Macdonald FY22 maximum opportunity = FAR (100%), STI (75% of FAR), LTI-1 (100% of FAR) and LTI-2 (75% of FAR).

## 7. STI granted in FY22 vested after the end of FY22

The STI is designed to reward high-performing employees for achievement of a balanced scorecard of financial and non-financial Company performance measures.

The bullet points below summarise the key features of the FY22 STI granted to the Executive KMP, that was subject to a one-year performance period measured at 30 June 2022.

Table 3 sets out the performance metrics, relative weightings and performance outcome for the FY22 STI.

The Board resolved on 31 July 2022 that vesting occurred. The total FY22 STI achievement for the Executive KMP was 52.4%. The number of Performance Rights granted to the Executive KMP, and the proportion that vested and that lapsed, is shown in Table 4 overpage.

- STI opportunity was calculated as a percentage of FAR.
- Maximum opportunity was 100% of FAR for the Managing Director & CEO and the Chief Operating Officer, and 75% of FAR for the other Executive KMP.
- 100% of the FY22 STI was weighted towards Company wide performance metrics (with no individual strategic measures).
- One-year performance period (1 July 2021 to 30 June 2022).
- Settled 50% in cash and 50% in Performance Rights. The Executive KMP could elect at the time of offer to have the FY22 STI settled 100% in Performance Rights.
- The Board retains discretion to adjust the STI vesting awarded.
- The following performance measures applied to the FY22 STI:
  - Total Reportable Injury Frequency Rate (TRIFR) – this is a measure of how many restricted work injuries (RWIs)[10] and lost time injuries (LTIs)[11] occur per million hours worked by our employees and contractors. The safety of our employees is key to our success and in sustaining long term operational performance.
  - Employee Culture – a healthy constructive culture underpins and promotes employee engagement, feelings of job satisfaction and retention, which together contribute significantly to the safety of our workplaces. 65% is regarded as a strong outcome.
  - Nil community, heritage or environmental incidents – we act responsibly in our environmental and social business practices; we believe this supports the creation of strong economic returns for our shareholders, and shared value for our stakeholders. The Bureau Veritas assurance statement encompassed heritage and environmental incident data (GRI 307-1 and GRI 411-1).
  - Production Performance – Our production is directly related to the financial returns we generate for our shareholders.
  - Financial Management – disciplined and efficient use of capital and operational expenditure is key to maintaining control over costs.
- See page 100 for a summary of the FY20 Share Plan under which the FY22 STI was granted.

### Exercise of discretion

On recommendation from the Remuneration Committee, the Board resolved to exercise discretion with respect to the Financial Management KPI (carrying a 30% weighting) due to abnormal inflationary costs. The actual AISC cost was A$1,633/oz. Board discretion reduced this to A$1,555/oz. In exercising discretion, reliance was placed on third party analysis that identified five significant abnormal cost inflations which were materially outside the control of management:

- significant fuel cost increases;
- material foreign exchange impacts (at Pogo a weaker Australian dollar had the effect of increasing USD costs for the Group);
- wage costs associated with bonus payments to operational staff for overtime shifts required to minimise the impact of staff shortages due to COVID-19;
- flight costs associated with increased fuel costs; and
- the prices of reagents and steel grinding media.

10. RWI is a work injury that results in the injured person being unable to fully perform their ordinary occupation any time after the day or shift on which the injury occurred regardless of whether they are rostered to work, or where alternative/light duties are performed or hours restricted.
11. LTI is a work injury that results in an absence from work for at least one full day or shift any time after the day or shift on which the injury occurred.





REMUNERATION REPORT

**Table 3** Summary of FY22 STI KPIs (performance period 1 July 2021 to 30 June 2022)

| KPIs | Measure | Metric | Weighting | Outcome | % achieved |
|---|---|---|---|---|---|
| Employee Environment Social Governance (30%) | Total Reportable Injury Frequency Rate[12] | Threshold TRIFR <5.6 (FY21) = 10%<br>Target < 5.3 = 15%<br>Stretch TRIFR <5.0 = 20%<br>Linear pro rata between | 20% | TRIFR 2.0 | 20% |
| | Employee Culture Survey Benchmark | Threshold Perform Culture Survey STARR+E > 65% Northern Star Group employees | 5% | Employee survey participation 86%<br>Engagement score 68% | 5% |
| | Environmental & Social | Nil materially adverse community, heritage or environmental incidents | 5% | Nil material adverse incidents | 5% |
| Production Performance (40%) | Gold Sales within stated guidance | Threshold: 1,550 koz = 0%<br>Target: 1,600 koz = 50%<br>Stretch: 1,650 koz = 100%<br>Pro rata vesting in between | 40% | Gold Sales 1,560,958 ounces | 4.4% |
| Financial Management (30%) | AISC within stated guidance | Threshold: A$1,575/oz = 50%<br>Target: A$1,525/oz = 75%<br>Stretch: A$1,475/oz = 100%<br>Pro rata vesting in between | 30% | AISC A$1,555 per ounce | 18% |
| TOTAL | | | 100% | | 52.4% |

**Table 4** FY22 STI outcome[13] (vested at 31 July 2022)

| Executive KMP[14] | STI Performance Rights awarded | Total STI achieved[15] | STI Performance Rights vested | Percentage of STI lapsed | STI Performance Rights lapsed |
|---|---|---|---|---|---|
| Stuart Tonkin | 164,888[16] | 52.4% | 86,401 | 47.6% | 78,487 |
| Simon Jessop | 42,434[17] | 52.4% | 22,235 | 47.6% | 20,199 |
| Ryan Gurner | 50,921[18] | 52.4% | 26,682 | 47.6% | 24,239 |
| Hilary Macdonald | 45,465[19] | 52.4% | 23,823 | 47.6% | 21,642 |

12. No fatality gateway for vesting.
13. In 100% Performance Rights, or 50% Performance Rights and 50% cash (at the participant's election).
14. Former Executive KMP, Bill Beament, Raleigh Finlayson and Morgan Ball, did not receive a FY22 STI grant.
15. Percentage of STI achieved with reference to the target, not stretch, number of Performance Rights.
16. Stuart Tonkin elected 100% of his FY22 STI to be delivered in Performance Rights.
17. Simon Jessop did not make an election for 100% of his FY22 STI to be delivered in Performance Rights.
18. Ryan Gurner elected 100% of his FY22 STI to be delivered in Performance Rights.
19. Hilary Macdonald elected 100% of her FY22 STI to be delivered in Performance Rights.

## 8. LTI granted in FY20 vested after the end of FY22

The LTI granted to the Executive KMP focuses the senior leadership team on drivers of shareholder value over a period of three years. Performance metrics are selected to reward both KMP and shareholders for strong and sustained long term performance.

The bullet points below summarise the key features of the FY20 LTI granted to the Executive KMP, that was subject to a three year performance period which was measured at 30 June 2022.

The Board resolved on 31 July 2022 that vesting occurred. The total FY20 LTI achievement for the Executive KMP was 35%. The number of Performance Rights granted to the Executive KMP, and the proportion that vested and that lapsed, is shown in Table 6 overpage.

**Key features of the FY20 LTI grant:**

- LTI opportunity was calculated as a percentage of FAR.
- Maximum opportunity was 300% of FAR for the former Executive Chair, 200% for the Managing Director & CEO[20] and between 75% and 100% of FAR for other Executive KMP.
- All performance metrics are related to Company performance.
- Three-year performance period (1 July 2019 to 30 June 2022).
- Settled 100% in Performance Rights.
- The Board retains discretion to adjust the LTI vesting awarded.
- The following performance measures applied to the FY20 LTI:
  - ROIC – Return on Invested Capital was considered at the time of grant to be an appropriate measure for assessing business performance, as it gives a sense of how well the Company uses its money to generate returns.
  - TSR – Relative Total Shareholder Return is preferred to Absolute TSR which can be materially impacted by external factors such as the gold price. The VanEck Vectors Gold Miners ETF (GDX) was chosen at the time of grant over other indices/peer groups to best reflect the competitive landscape the Company operates in, comprising all the major and mid cap gold producers globally, with whom the Company competes for assets, people and investment capital.
  - Ore Reserves maintenance – Encourages replacement of Reserves depleted through mining, resulting in an extended mine life.
  - Ore Reserves growth – Encourages extension of mine life involving considerable effort to build Reserves in addition to replacement of Reserves depleted through mining. Compound annual Reserves growth of this magnitude year on year is an extremely challenging metric.
  - Production – Encourages focus on a particular operation to ensure production growth is achieved on a sustainable basis.
- See page 100 for a summary of the FY20 Share Plan under which the FY20 LTI was granted.

There was no exercise of discretion in relation to the FY20 LTI measurement and outcome.

### Exercise of discretion

The invitations provided that a 12 month holding lock would apply from 30 June 2022, to half of the Shares resulting from exercise of vested FY20 LTI Performance Rights. On 26 August 2022, the Board exercised discretion to remove the holding lock on the basis that it:

- allows recipients an opportunity to manage their tax obligations; and
- is of no material consequence to the business from a retention perspective, because there is no service condition associated with the holding lock period.

20. Stuart Tonkin was Chief Executive Officer at the time of grant of FY20 LTI.







**Table 5** Summary of FY20 LTI KPIs (performance period 1 July 2019 to 30 June 2022)

| KPIs | Measure | Metric | Weighting | Outcome | % achieved |
|---|---|---|---|---|---|
| **Financial – Return on Invested Capital (ROIC) (25%)** | ROIC is calculated as 3 years' NPAT divided by the average invested capital for the 3 year performance period[21] | Threshold <15% = 0%<br>Target 15% = 50%<br>Stretch ≥20% = 100%<br>Pro rata vesting between >15% to <20% | 25% | ROIC = 19% | 22.5% |
| **Financial – Relative Total Shareholder Return (TSR) (50%)** | Relative TSR measured against the VanEck Vectors Gold Miners ETF (GDX)[22] | Threshold <GDX = 0%<br>Target = GDX = 50%<br>Stretch ≥GDX 18% = 100%<br>Pro rata vesting for exceeding target | 50% | NST TSR < GDX as follows:<br>NST TSR -4%<br>GDX TSR 55% | 0% |
| **Strategic – Ore Reserves & production (25%)** | Ore Reserves are maintained post-depletion | Baseline 5.37Moz | 6.25% | 20.7Moz (285% increase) | 6.25% |
| | Ore Reserves grown by 10% per Share over a financial year | >10% CAGR per Share | 6.25% | 27.2% CAGR per share | 6.25% |
| | Production growth with annualised sustainable production run rate | Pogo to achieve 300Koz run rate for at least one quarter & forms the FY23 guidance | 12.5% | Pogo run rate hurdle not met in any quarter & FY23 guidance below 300Koz | 0% |
| **TOTAL** | | | **100%** | | **35%** |

**Table 6** FY20 LTI outcome (vested at 31 July 2022)

| Executive KMP[23] | LTI Performance Rights awarded | Total LTI achieved | LTI Performance Rights vested | Percentage of LTI lapsed | LTI Performance Rights lapsed |
|---|---|---|---|---|---|
| Stuart Tonkin | 175,967 | 35% | 61,588 | 65% | 114,379 |
| Ryan Gurner | 39,299 | 35% | 13,754 | 65% | 25,545 |
| Hilary Macdonald | 29,474 | 35% | 10,315 | 65% | 19,159 |
| **Former Executive KMP[24]** | **LTI Performance Rights awarded** | **Total LTI achieved** | **LTI Performance Rights vested** | **Percentage of LTI lapsed** | **LTI Performance Rights lapsed** |
| Bill Beament[25] | 388,367 | 35% | 135,928 | 65% | 252,439 |

21. ROIC was calculated using underlying profit rather than statutory profit, consistent with the approach to reporting profit disclosed in the FY21 Annual Report as appropriate given the merger of the Company with Saracen by scheme of arrangement implemented on 12 February 2021.
22. If the Company's TSR performance is negative, but exceeds GDX, only 50% of this metric vests.
23. Simon Jessop was not a Northern Star employee at the time of grant of the FY20 LTI.
24. Raleigh Finlayson and Morgan Ball were not Northern Star employees at the time of grant of the FY20 LTI.
25. Bill Beament's employment ended on 1 July 2021 as a result of Mr Beament's decision to pursue other interests. The Board used its discretion to allow Mr Beament to keep the 388,367 unvested FY20 LTI Performance Rights granted to him in November 2019.

## 9. LTI granted in FY21 unvested at end of FY22

The FY21 LTI is due to be measured following the end of the 3 year performance period, on 30 June 2023. The KPIs applicable to the FY21 LTI granted to the Executive KMP are set out in Table 7 overpage. The number of FY21 LTI Performance Rights granted to the Executive KMP, and the proportion lapsed (if any), is set out in Table 8 overpage.

Key features of the FY21 LTI grant are as follows:

- Maximum opportunity is 300% of FAR for the former Executive Chair, 200% for the Managing Director & CEO[26] and between 75% and 100% of FAR for other Executive KMP.
- All performance metrics are related to Company performance.
- Three-year performance period (1 July 2020 to 30 June 2023).
- A 12 month holding lock from 30 June 2023 applies over 50% of the vested Performance Rights. A service condition also applies for that holding lock period.
- Settled 100% in Performance Rights.
- The Board retains discretion to adjust the LTI vesting awarded.
- See pages 100 to 101 for a summary of the FY20 Share Plan under which FY21 LTI was granted.

26. Stuart Tonkin was Chief Executive Officer at the time of grant of FY21 LTI.


Brendan Murphy on the Mt Charlotte headframe KCGM, Kalgoorlie Production Centre, Western Australia







**Table 7** Summary of FY21 LTI KPIs (performance period 1 July 2020 to 30 June 2023)

| KPIs | Measure | Metric | Weighting |
|---|---|---|---|
| **Financial – Return on Invested Capital (ROIC)[27]** | ROIC is calculated as 3 years' average NPAT divided by the average invested capital (i.e. equity plus debt) | Threshold <10% = 0%<br>Target 10% = 50%<br>Stretch ≥20% = 100%<br>Pro rata vesting between 10% & 20% | 30% |
| **Financial – Relative Total Shareholder Return (TSR)** | Relative TSR is measured against the VanEck Vectors Gold Miners ETF (GDX)[28] | Threshold <GDX = 0%<br>Target = GDX = 50%<br>Stretch >18% than GDX = 100%<br>Pro rata vesting for exceeding target | 40% |
| **Strategic – Mine Life Extension** | Ore Reserves are maintained post-depletion over the three-year performance period | Satisfied by the end of year 3 = 100% | 15% |
| | Ore Reserves grown by 10% per Share over the three-year performance period | Satisfied by the end of year 3 = 100% | 15% |
| **TOTAL** | | | **100%** |

**Table 8** FY21 LTI on issue

| Executive KMP | LTI Performance Rights awarded | Percentage of LTI lapsed | LTI Performance Rights lapsed |
|---|---|---|---|
| **Stuart Tonkin** | 177,073 | 0% | Nil |
| **Simon Jessop[29]** | 14,756 | 0% | Nil |
| **Ryan Gurner** | 36,890 | 0% | Nil |
| **Hilary Macdonald** | 26,284 | 0% | Nil |
| **Former Executive KMP[30]** | **LTI Performance Rights awarded** | **Percentage of LTI lapsed** | **LTI Performance Rights lapsed** |
| **Bill Beament[31]** | 309,878 | 66.7% | 206,585 |
| **Raleigh Finlayson[29]** | 68,862 | 58.3% | 40,170 |
| **Morgan Ball[29]** | 14,756 | 100% | 14,756 |

27. ROIC = $\frac{\text{Average annual net profit after tax (NPAT) for the 3 year period (sum of NPAT divided by 3).}}{\text{Average capital employed over the period (i.e. opening and closing capital employed divided by 2).}}$
28. If the Company's TSR performance is negative, but exceeds GDX, only 50% of this metric vests.
29. The quantum of FY21 LTI granted to ex-Saracen KMP who joined Northern Star on 12 February 2021 was reduced to 4/12 of their annual LTI opportunity, as they were only FY21 KMP from 12 February to 30 June 2021. This applies only in relation to FY21.
30. FY21 LTI Performance Rights granted to former Executive KMP were forfeited due to their resignations during FY21.
31. FY21 LTI Performance Rights granted to Bill Beament were reduced by two thirds, to reflect that Mr Beament will have performed an executive role with the Company for only one out of the three year performance period.

## 10. LTIs granted in FY22 unvested at end of FY22

Historically (as with the FY21 LTI summarised above), the measurement period for the Company's LTI has been three years. In FY21, the Board resolved to increase the measurement period to four years commencing with the FY22 LTIs grant (identified below as LTI-1), to be measured on 30 June 2025, in order to increase management's focus on long term shareholder wealth creation and better align the LTIs with the interests of shareholders.

To fill the consequent vesting gap in the third year, a one-off LTI grant was made in FY22 at a reduced 75% of the annual quantum, with a three-year performance period (identified below as LTI-2). The LTI-2 grant does not represent a doubling up of LTI rewards, as the quantum of the LTI-1 award was not increased to account for the vesting gap in the third year (it was not made as a 'super grant'). Given the reduction to 75% of the annual grant amount for LTI-2, this represents a diminution in the awards KMP would have received had the Board retained a three year measurement period for LTIs. The one-off LTI-2 grant was designed to ensure that KMP will have a portion of LTI opportunity subject to vesting in each year during the four year performance period of LTI-1, which is an important factor in encouraging Executive KMP retention in the context of the competition for leadership talent in the current market.

The FY22 LTIs are due to be measured:

- LTI-1 – at the end of the 4-year performance period, on 30 June 2025; and
- LTI-2 – at the end of the 3-year performance period, on 30 June 2024.

The KPIs applicable to the FY22 LTIs granted to the Executive KMP are set out in Table 10 overpage.

The number of FY22 LTI Performance Rights granted to the Executive KMP, and the proportion lapsed (if any), is set out in Table 9 below.

Key features of the FY22 LTIs grant are as follows:

- Maximum LTI-1 opportunity is 200% of FAR for the Managing Director & CEO and 100% of FAR for other Executive KMP.
- Maximum LTI-2 opportunity is 150% of FAR for the Managing Director & CEO and 75% of FAR for other Executive KMP.
- All performance metrics are related to Company performance.
- The relative weightings of each performance measure differ between LTI-1 and LTI-2, as considered appropriate by the Board (and as recommended by the Remuneration Committee) taking into account the Company's long term strategic goals.
- Four year performance period applies to LTI-1 (1 July 2021 to 30 June 2025) – to further align the KMP with long term outcomes.
- Three year performance period applies to LTI-2 (1 July 2021 to 30 June 2024) – to fill the vesting gap created by moving from a three year to a four year vesting scheme.
- Settled 100% in Performance Rights.
- Service condition requiring full time employment applies during the performance period.
- The Board retains discretion to adjust the LTIs vesting awarded.
- See pages 100 to 101 for a summary of the FY20 Share Plan under which the FY22 LTIs were granted.

**Table 9** FY22 LTI-1 and LTI-2 on issue (for measurement at 30 June 2025 and 30 June 2024, respectively)

| Executive KMP[32] | LTI-1 Performance Rights awarded | LTI-2 Performance Rights awarded | Percentage of LTI-1 & LTI-2 lapsed | LTI-1 & LTI-2 Performance Rights lapsed |
|---|---|---|---|---|
| **Stuart Tonkin** | 329,776 | 247,332 | 0% | Nil |
| **Simon Jessop** | 84,869 | 63,651 | 0% | Nil |
| **Ryan Gurner** | 67,895 | 50,921 | 0% | Nil |
| **Hilary Macdonald** | 60,620 | 45,465 | 0% | Nil |

32. Former Executive KMP, Bill Beament, Raleigh Finlayson and Morgan Ball, did not receive FY22 LTI grants.







**Table 10** Summary of FY22 LTIs KPIs (4-year and 3-year performance period)

| KPIs | Measure | Metric | Weighting LTI-1 (4yr) | Weighting LTI-2 (3yr) |
|---|---|---|---|---|
| **Relative Total Shareholder Return (RTSR)** | RTSR[33] against peer group[34] (Australian and international) | Gateway RTSR < $50^{th}$ percentile = 0% vest<br>Threshold RTSR = $50^{th}$ percentile = 50% vest<br>Target RTSR > $75^{th}$ percentile = 100% vest<br>Pro rata vesting on linear basis 50% to 100% | 35% | 40% |
| | | Modifier: Where the RTSR performance is negative at the end of the performance period, and RTSR performance is equal to or exceeds the Peer Group (as it stands at the end measure point), the number of Performance Rights which may vest is 50% of the number determined from the vesting scale above. | | |
| | RTSR against the S&P/TSX Global Gold Index (GGI) | Gateway RTSR < Index = 0% vest<br>Threshold RTSR = Index = 50% vest<br>Target RTSR > 10% above Index (for LTI-1) = 100% vest<br>Target RTSR > 7.5% above Index (for LTI-2)= 100% vest<br>Pro rata vesting on linear basis 50% to 100% | 35% | 40% |
| | | Modifier: Where RTSR performance is negative at the end of the performance period, and RTSR performance is equal to or exceeds S&P/TSX Global Gold Index performance, the number of Performance Rights which may vest is 50% of the number determined from the vesting scale above. | | |
| **ESG metrics** | Reduce absolute carbon emissions[35] | Reduce absolute carbon equivalent Scope 1 and Scope 2 Emissions from existing fixed asset levels:<br>LTI-1 – by 100,000t ($CO_2$ equivalent) by end of FY25 on a sustaining annualised basis<br>LTI-2 – by 50,000t ($CO_2$ equivalent) by end of FY24 on a sustaining annualised basis | 10% | 8% |
| | Water conservation | LTI-1 To reduce baseline usage on potable scheme water sources (KCGM) by 10% | 10% | 6% |
| | Support Indigenous businesses | LTI-2 Establish sustaining Indigenous Business Supply contracts of $20Mpa by end of FY24 | | |
| | Safety outcomes | Reportable TRIFR (12 month moving average) prorated between:<br>LTI-1 – 5.0 (50%) and 4.8 (100%)<br>LTI-2 – 5.2 (50%) and 5.0 (100%)<br>subject to a threshold gate of 10% below industry average for metalliferous mining (surface and underground and exploration), as reported by DMIRS for 2023-2024 for LTI- 1 and 2022-2023 for LTI-2[36] | 10% | 6% |
| **Service condition** | In addition to the KPIs described above, a service condition will apply – that is, subject to Board discretion, the employee must continue to be employed by the Company on a full-time basis until 30 June 2025 for LTI-1 or 30 June 2024 for LTI-2. | | | |
| **Discretion** | The Board retains discretion to adjust LTI outcome in the case of, but not limited to, a fatality. | | | |
| **TOTAL** | | | **100%** | **100%** |

On 16 February 2022 in the CY21 Sustainability Report, the Company announced its target to reduce absolute Scope 1 and Scope 2 operational Emissions by 35% by 2030, from the 1 July 2020 baseline of 931kt$CO_2$-e, down to approximately 590kt $CO_2$-e.

33. RTSR to be assessed in home currencies.
34. Peer group comprises Newcrest, Agnico Eagle, Kinross, Goldfields, AngloGold Ashanti, B2Gold, Endeavour, Evolution, Newmont, Barrick (Kirkland Lake no longer included in the peer group as a result of its merger with Agnico Eagle in February 2022).
35. On 26 August 2022 when setting the FY23 LTI carbon emissions reduction metric, the Board resolved that the same principles should apply to the metric for the "reduce absolute carbon emissions" measure in the FY22 LTI-1 and FY22 LTI-2 KPIs. Accordingly, the metric shown above for the FY22 LTIs KPIs should read as follows: Demonstrate tangible, sustainable Scope 1 and 2 carbon Emissions Reductions of 50,000 tonnes $CO_2$ equivalent and 100,00 tonnes $CO_2$ equivalent, between 1 July 2021 and 30 June 2024 and between 1 July 2021 and 30 June 2025, respectively, where 1 July 2021 represents business as usual baseline levels.
36. Company TRIFR at 30 June 2021 was 5.6 and the industry average was 6.2.

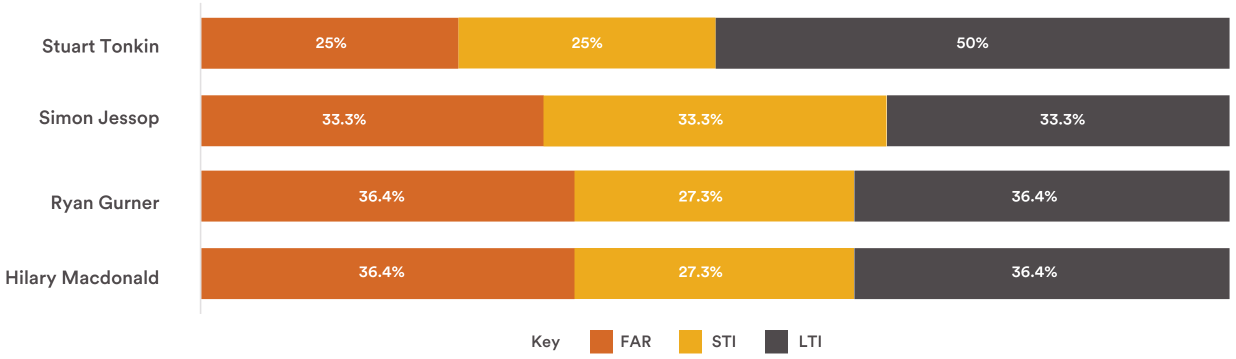
# FY23 Executive KMP remuneration

## 11. Executive KMP remuneration mix for FY23

There were no changes to Executive KMP base cash salary, STI opportunity and LTI opportunity for FY23 (except that there was no equivalent one-off LTI-2 granted in FY23).

A high proportion of between 64% and 75% of maximum remuneration opportunity remains at risk, with a view to ensure there is a focus of the Company's strategy and further increasing alignment with shareholders' interests.

**Figure 6** FY23 total remuneration opportunity mix for Executive KMP[37,38]




## 12. FAR for FY23 compared to FY22

The FY23 base cash salary component of FAR for executive KMP remains at the same level as FY22.

The KMP are subject to a Minimum Holding Condition Policy, requiring the Managing Director & CEO to maintain a minimum level of Shares or vested performance rights ownership equal to 100% of FAR, and other Executive KMP equal to 50% of FAR.

**Table 11** FY23 Executive KMP Fixed Remuneration

| Executive KMP | Role | FY22 FAR | FY23 FAR |
|---|---|---|---|
| **Stuart Tonkin** | Managing Director & CEO | $1,700,000 | **$1,700,000** |
| **Simon Jessop** | Chief Operating Officer | $875,000 | **$875,000** |
| **Ryan Gurner** | Chief Financial Officer | $700,000 | **$700,000** |
| **Hilary Macdonald** | Chief Legal Officer & Company Secretary | $625,000 | **$625,000** |

## 13. STI granted in FY23

The metrics chosen for the FY23 STI remain the same as the FY22 STI, but adjustments were made to the relative weightings to reflect an increased focus on costs.

The number of performance rights granted is calculated by multiplying a percentage of base salary (see below) by the Northern Star share price, being the volume weighted average price of Northern Star shares traded on the ASX in the 5 trading days prior to 1 July 2022, the start of the performance period. The 5 day VWAP is $7.27. Using a 5 day VWAP is aligned with peers (on a market capitalisation basis).

Key features of the FY23 STI grant are:

- STI opportunity is calculated as a percentage of FAR.
- Maximum FY23 STI opportunity is 100% of FAR for the Managing Director & CEO and the Chief Operating Officer, and 75% for the other Executive KMP.
- 100% of the STI is weighted towards Company wide performance metrics (with no individual strategic measures).
- One year performance period applies to the FY23 STI (1 July 2022 to 30 June 2023).
- Settled 50% in cash and 50% in Performance Rights. Executive KMP can elect at the time of offer to have the STI settled 100% in Performance Rights.
- The following Company performance measures were chosen for the FY23 STI, aimed at delivering year-on-year positive impacts on the Company's success and taking into account investor feedback:
  - The FY22 STI KPIs of ESG, production performance and financial management continue as the KPIs, but relative weightings were adjusted in line with Company strategy as shown below to maintain focus on costs; and
  - In FY22 an outstanding TRIFR outcome of 2.0 was achieved. The safety component of the FY23 ESG metric (TRIFR of 2.85 for 100% achievement) represents an extremely challenging target given the industry average of 5.7 and is designed to maintain management's strong focus on the critical issue of safety.
- The Board retains discretion to adjust the FY23 STI vesting awarded.
- See pages 100 to 101 for a summary of the FY20 Share Plan.

Table 12 below sets out the performance measures and hurdles applicable to the FY23 STI granted to the Executive KMP (in the case of the Managing Director & CEO, subject to shareholder approval at Annual General Meeting on 16 November 2022), to be measured at the end of the 1-year performance period on 30 June 2023.

**Table 12** Summary of FY23 STI KPIs (performance period 1 July 2022 to 30 June 2023)

| KPIs | Measure | Metric | FY23 Weighting | FY22 Weighting |
|---|---|---|---|---|
| **Employee Environmental Social Governance (30%)** | Total Reportable Injury Frequency Rate[39] | Threshold TRIFR (industry 5.7) = 50%<br>Target TRIFR 2.85[40] = 100%<br>Pro rata vesting in between<br>Subject to a zero fatality gateway | 20% | 20% |
| | Employee Culture Survey Benchmark | Average score for "STARR Core Values" greater than or equal to 65% | 2.5% | 5% |
| | | Minimum required participation rate of 65% of all Northern Star Group employees | 2.5% | |
| | Environmental & Social | Nil materially adverse community, heritage or environmental incidents. | 5% | 5% |
| **Production Performance (50%)** | Gold sales within stated guidance | Threshold 1,560koz = 0%<br>Target 1,680koz = 100%<br>Pro rata vesting in between | 50% | 40% |
| **Financial Management (20%)** | AISC within stated guidance | Threshold A$1,690/oz = 0%<br>Target A$1,630/oz = 100%<br>Straight line vesting in between | 20% | 30% |
| **TOTAL** | | | **100%** | **100%** |

37. These figures have been rounded. Figure 6 is a voluntary disclosure included in this Report to improve transparency around how Northern Star rewards Executive KMP and has not been prepared in accordance with Australian Accounting Standards.
38. Stuart Tonkin FY23 maximum opportunity = FAR (100%), STI (100% of FAR) and LTI (200% of FAR).
Simon Jessop FY23 maximum opportunity = FAR (100%), STI (100% of FAR) and LTI (100% of FAR).
Ryan Gurner FY23 maximum opportunity = FAR (100%), STI (75% of FAR) and LTI (100% of FAR).
Hilary Macdonald FY23 maximum opportunity = FAR (100%), STI (75% of FAR) and LTI (100% of FAR).
39. 12 month moving average TRIFR.
40. TRIFR 2.85, being half of industry average benchmark TRIFR 5.7, from DMIRS Safety Performance in the Western Australian Mineral Industry - Accident and Injury Statistics 2020-21 (surface and underground and exploration).

## 14. LTI granted in FY23

Based on feedback from shareholders, there were some minor changes to FY23 LTI grants.

The relative TSR (against peer group and against the Global Gold Index) metrics and weighting chosen for the FY23 LTI remain the same as the FY22 LTI-2, but the ESG measure relates to an absolute reduction in Scope 1 and 2 Emissions, only.

The number of performance rights granted is calculated by multiplying a percentage of base salary (see below) by the Northern Star share price, being the volume weighted average price of Northern Star shares traded on the ASX in the 5 trading days prior to 1 July 2022, the start of the performance period. The 5 day VWAP is $7.27. Using a 5 day VWAP is aligned with peers (on a market capitalisation basis).

Key features of the FY23 LTI grant are as follows:

- LTI opportunity is calculated as a percentage of FAR.
- Maximum FY23 LTI opportunity is 200% of FAR for the Managing Director & CEO, and 100% for the other Executive KMP.
- All FY23 LTI performance metrics are related to Company performance.
- Four year performance period applies to the FY23 LTI (1 July 2022 to 30 June 2026).
- Settled 100% in Performance Rights.
- The following Company performance measures were chosen for the FY23 LTI, linked to key financial and non-financial drivers which are expected to have significant short term and long term impacts on the success of the Company:
  - two relative total shareholder return (TSR) KPIs (40% weighting each) require outperformance against a group of ASX and international gold peers with whom the Company may compete for inorganic growth activity and for human capital, and the S&P/TSX Global Gold Index; and
  - the ESG measure (20% weighting) requires demonstration of tangible, sustainable Scope 1 and 2 carbon Emissions Reductions of 150,000 tonnes $CO_2$ equivalent between 1 July 2021 and 30 June 2026 below business as usual levels, where 1 July 2021 represents business as usual baseline levels. The 150,000 t ($CO_2$ Equivalent) is in the aggregate and will take into account any reductions achieved under the FY22 LTI-1 and FY22 LTI-2 KPIs by the end of FY24 and FY25, respectively. This is a challenging metric to incentivise consistent and sustainable absolute Emissions Reductions, given the 50,000t reduction target by end of FY24 (in the FY22 LTI-2) and 100,000t reduction target by end of FY25 (in the FY22 LTI-1).
- Service condition requiring full time employment applies during the performance period.
- The Board retains discretion to adjust the FY23 LTI vesting awarded.
- See pages 100 to 101 for a summary of the FY20 Share Plan under which FY23 LTI is granted.

Table 13 overpage sets out the KPIs applicable to the FY23 LTI to be granted to the Executive KMP (in the case of the Managing Director & CEO, subject to shareholder approval at the Annual General Meeting on 16 November 2022), to be measured at the end of the 4-year performance period on 30 June 2026. The Executive KMP grants will occur following the Annual General Meeting.





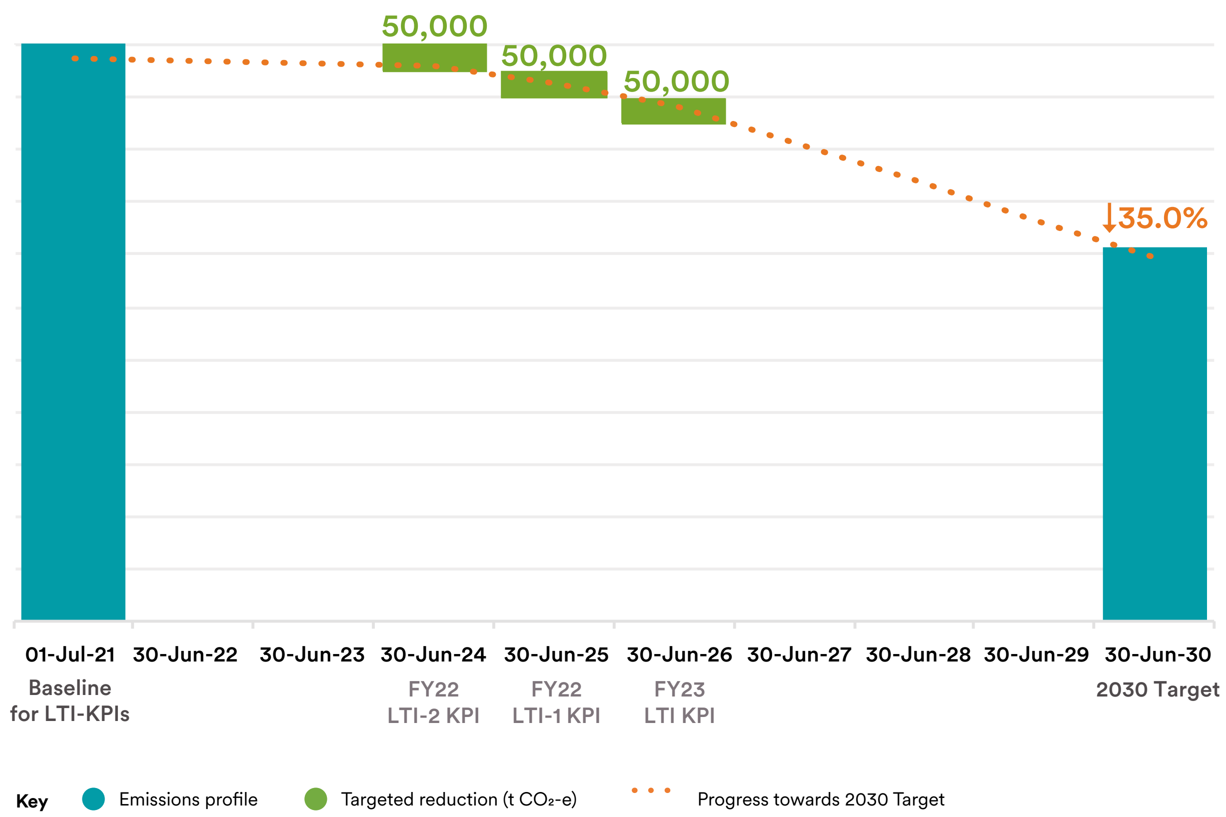

**Table 13** Summary of FY23 LTI KPIs – 4 year performance period (1 July 2022 to 30 June 2026)

| KPIs | Measure | Metric | Weighting |
|---|---|---|---|
| **Relative Total Shareholder Return – peer group (40%)** | RTSR[41] against peer group[42] (Australian and international) | Gateway RTSR < 50th percentile = 0% vest<br>Threshold RTSR = 50th percentile = 50% vest<br>Target RTSR > 75th percentile = 100% vest<br>Straight line vesting between 50% and 100% | 40% |
| **Relative Total Shareholder Return – Global Gold Index (40%)** | RTSR against the S&P/TSX Global Gold Index (GGI) | Gateway RTSR < Index = 0% vest<br>Threshold RTSR = Index = 50% vest<br>Target RTSR >10% above Index = 100% vest<br>Straight line vesting between 50% and 100% | 40% |
| **Environmental Social Governance (20%)** | Reduce absolute carbon emissions | Demonstrate tangible, sustainable Scope 1 and 2 carbon Emissions Reductions of 150,000 tonnes CO2 equivalent between 1 July 2021 and 30 June 2026 below business as usual levels.[43] | 20% |
| **Service condition** | In addition to the KPIs described above, a service condition will apply – that is, subject to Board discretion, the Employee must continue to be employed by the Company on a full time basis until 30 June 2026. | | |
| **Discretion** | The Board retains discretion to adjust LTI outcome in the case of, but not limited to, a fatality. | | |
| **TOTAL** | | | **100%** |

41. RTSR to be assessed in home currencies.
42. Peer group comprises Newmont Corporation, Barrick Gold Corporation, Newcrest Mining, Agnico Eagle Mines, Gold Fields Ltd, AngloGold Ashanti, Kinross Gold, Endeavour Mining, Evolution Mining Ltd and B2Gold Corporation.
43. For the avoidance of doubt the 150,000 t ($CO_2$ Equivalent) target for the FY23 LTI will take into account any aggregate reduction achieved under the FY22 LTI-2 and LTI-1 KPI by end of FY25. 1 July 2021 represents business as usual baseline levels.


Inspecting core samples, Pogo Operations, Alaska USA

**Figure 7** Scope 1 & 2 Emissions Reduction targets






## Climate Targets Snapshot

**35%**

Target Reduction in absolute Scope 1 and Scope 2 Emissions by 2030 (1 July 2020 baseline: 931kt$CO_2$-e).

Demonstrate tangible, sustainable Scope 1 and Scope 2 carbon Emissions Reductions of

**50 kt $CO_2$-e**

between 1 July 2021 and 30 June 2024, where 1 July 2021 represents business as usual baseline levels.

Demonstrate tangible, sustainable Scope 1 and Scope 2 carbon Emissions Reductions of

**100 kt $CO_2$-e**

between 1 July 2021 and 30 June 2025, where 1 July 2021 represents business as usual baseline levels (includes 50 kt $CO_2$-e by 30 June 2024).

Demonstrate tangible, sustainable Scope 1 and Scope 2 carbon Emissions Reductions of

**150 kt $CO_2$-e**

between 1 July 2021 and 30 June 2026, where 1 July 2021 represents business as usual baseline levels (includes 50 kt $CO_2$-e by 30 June 2024 and 50 kt $CO_2$-e by 30 June 2025).





# FY22 & FY23 Non-Executive Director remuneration

## 15. Non-Executive Directors' Remuneration for FY22 and FY23

No changes were made to Non-Executive Director remuneration for FY23, aside from the cessation of the FY20 NED Share Plan. All FY23 NED fees will be delivered in cash[44]. A summary of the fees payable to the Company's Non-Executive Directors in FY23 (and FY22) is provided in Table 14 below.

All the Non-Executive Directors including the Chairman are subject to a Minimum Holding Condition Policy, requiring them to maintain a minimum level of share ownership of 100% of the NED base fee of $190,000.

Statutory remuneration disclosures for Non-Executive Directors for the current and previous financial year are provided in Table 16, calculated with reference to the Corporations Act and Australian Accounting Standards, in Australian dollars.

**Table 14** Non-Executive Director FY22 and FY23 fees

| | | FY22 | FY23 |
|---|---|---|---|
| **Base fees** | | | |
| Chairman | | $575,000 | **$575,000** |
| Other Non-Executive Directors | | $190,000 | **$190,000** |
| **Additional fees** | | | |
| Lead Independent Director[45] | | $60,000 | **n/a** |
| Audit & Risk Committee | Chair | $50,000 | **$50,000** |
| | Member | $25,000 | **$25,000** |
| Environmental, Social & Safety Committee | Chair | $40,000 | **$40,000** |
| | Member | $20,000 | **$20,000** |
| Exploration and Growth Committee | Chair | $30,000 | **$30,000** |
| | Member | $15,000 | **$15,000** |
| Nomination Committee | Chair | nil | **nil** |
| | Member | nil | **nil** |
| People & Culture Committee[46] | Chair | $50,000 | **$50,000** |
| | Member | $25,000 | **$25,000** |

44. In FY22, some Non-Executive Directors could elect to receive a $50,000 portion of their NED base fee in NED Share Rights under the FY20 NED Share Plan, the terms of which are summarised at pages 126 & 127 of the FY21 Annual Report available at https://www.nsrltd.com/investor-and-media/reports/annual-reports.
45. Former Lead Independent Director, Anthony Kiernan, resigned on 18 November 2021. This role was discontinued from that date, in view of the Chairman's appointment on 1 July 2021 in a non-executive capacity. No Lead Independent Director fee was therefore set for FY23.
46. Formerly the Remuneration Committee; restructured from 1 July 2022.

# Statutory remuneration disclosures

## 16. Statutory remuneration table – Executive KMP

**Table 15** FY21 and FY22 Executive KMP statutory remuneration disclosures

| Name & role | Year | Fixed remuneration ($) | | | | Variable remuneration ($) | | | Total remuneration | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Cash salary | Other benefits[47] | Movement in leave provisions[48] | Post-employment benefits[49] | STI cash payment | STI Performance Rights | LTI Performance Rights | Total ($) | Performance-related (%) |
| **Executive KMP** | | | | | | | | | | |
| **Stuart Tonkin** Managing Director & CEO | **2022** | **1,646,774** | **5,916** | **163,487** | **25,000** | **-** | **899,183** | **1,934,597** | **4,674,957** | **61%** |
| | 2021 | 1,175,000 | 7,814 | 55,323 | 25,000 | - | 867,745 | 613,087 | 2,743,969 | 54% |
| **Simon Jessop[50]** Chief Operating Officer | **2022** | **850,000** | **16,907** | **64,113** | **25,000** | **229,250** | **206,434** | **222,268** | **1,613,971** | **41%** |
| | 2021 | 220,760 | 1,424 | 13,306 | 9,604 | 95,301 | - | 14,469 | 354,864 | 31% |
| **Ryan Gurner[51]** Chief Financial Officer | **2022** | **337,836** | **13,471** | **39,997** | **12,500** | **-** | **123,521[52]** | **172,111** | **699,436** | **42%** |
| | 2021 | 294,110 | 10,924 | 12,677 | 15,479 | - | 167,897 | 80,326 | 581,413 | 43% |
| **Hilary Macdonald** Chief Legal Officer & Company Secretary | **2022** | **600,000** | **13,507** | **80,764** | **25,000** | **-** | **221,179** | **279,416** | **1,219,866** | **41%** |
| | 2021 | 450,000 | 10,158 | 12,308 | 25,000 | 126,469 | 138,551 | 93,552 | 856,038 | 42% |
| **Former Executive KMP** | | | | | | | | | | |
| **Bill Beament[53]** Former Executive Chair | **2022** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | 2021 | 1,375,000 | 381,924 | (51,743) | 25,000 | - | 756,534 | 1,689,525 | 4,176,240 | 59% |
| **Raleigh Finlayson[54]** Former Executive Director | **2022** | **313,197** | **1,447** | **48,297** | **6,250** | **-** | **-** | **155,712** | **524,903** | **0%** |
| | 2021 | 527,904 | 1,448 | 21,162 | 9,604 | 212,023 | - | 74,968 | 847,109 | 34% |
| **Morgan Ball[55]** Former Chief Financial Officer | **2022** | **422,917** | **7,937** | **46,977** | **12,500** | **-** | **-** | **-** | **490,330** | **0%** |
| | 2021 | 220,760 | 1,428 | 10,855 | 9,604 | 90,969 | - | 14,469 | 348,085 | 30% |
| **Luke Creagh[56]** Former Chief Operating Officer | **2022** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **0%** |
| | 2021 | 575,000 | 10,263 | 43,025 | 25,000 | 183,000 | 2,190,789[57] | 159,541 | 3,186,618 | 17% |
| **TOTAL** | **2022** | **4,170,724** | **59,185** | **443,635** | **106,250** | **229,250** | **1,450,317** | **2,764,104** | **9,223,464** | **27%** |
| | 2021 | 4,838,534 | 425,383 | 116,913 | 144,291 | 707,762 | 4,121,516 | 2,739,937 | 13,094,336 | 43% |

47. 'Other Benefits' include telephone allowance, salary continuance insurance, private health insurance, D&O Insurance and parking.
48. Recognised in accordance with the Company's long service leave policy. Refer to Note 8(g) to the Financial Statements for further details. NST assumed employee entitlements for Saracen employees on merger. Bill Beament's, Morgan Ball's and Raleigh Finlayson's leave entitlements were paid out on termination
49. Superannuation, which in FY22 is capped at $25,000 for each member of the Executive KMP.
50. Simon Jessop was appointed as Chief Operating Officer on 12 February 2021 on implementation of the merger with Saracen. Short-term incentive pro-rated for the period of service with NST from 12 February 2021 to 30 June 2021.
51. Ryan Gurner ceased as Chief Financial Officer on 12 February 2021 on implementation of the merger with Saracen, and took on the Executive General Manager Finance role for the remainder of FY21. Mr Gurner's FY21 remuneration was pro-rated for the period from 1 July 2020 to 12 February 2021. Mr Gurner was reappointed as Chief Financial Officer on 31 December 2021, when Morgan Ball resigned. Mr Gurner's FY22 remuneration has been pro-rated for the period 1 January 2022 to 31 June 2022.
52. Ryan Gurner elected to take 100% of his FY22 STI in Performance Rights (rather than 50% delivered in Performance Rights and 50% delivered in cash).
53. No remuneration for Bill Beament appears in Table 15 above, as Mr Beament resigned effective 1 July 2022 and was only an Executive KMP for 1 day during FY22.
54. Raleigh Finlayson was appointed as Managing Director on 12 February 2021 on implementation of the merger with Saracen. His FY21 STI was pro-rated for the period of service with NST from 12 February 2021 to 30 June 2021. Mr Finlayson resigned as a Director on 22 September 2021.
55. Morgan Ball was appointed as Chief Financial Officer on 12 February 2021 on implementation of the merger with Saracen. His FY21 STI was pro-rated for the period of service with NST from 12 February 2021 to 30 June 2021. Mr Ball resigned on 31 December 2021.
56. Luke Creagh was not considered to fall within the definition of Key Management Personnel under AASB 124 Related Party Disclosures for FY22, hence nil remuneration is disclosed for FY22. Mr Creagh remained employed by the Company throughout FY22, but has since resigned effective 1 July 2022.
57. Luke Creagh held 150,000 Restricted Shares that were subject to a holding lock until 1 July 2021 with a service condition, which vested in FY21.

REMUNERATION REPORT

## 17. Statutory remuneration table – Non-Executive Directors

**Table 16** FY21 and FY22 Non-Executive Directors statutory remuneration disclosures

| Name & role | Year | Base fee[58] | Share Rights | Audit & Risk Committee | Environmental Social & Safety Committee | Remuneration Committee | Exploration & Growth Committee | Superannuation[59] | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Non-Executive Directors** | | | | | | | | | |
| **Michael Chaney AO[60]** | **2022** | **569,108** | **-** | **-** | **-** | **17,809** | **15,000** | **5,892** | **607,809** |
| Chairman | 2021 | - | - | - | - | - | - | - | - |
| **John Fitzgerald** | **2022** | **127,273** | **44,340** | **45,455** | **-** | **22,727** | **-** | **19,545** | **259,340** |
| Non-Executive Director | 2021 | 136,660 | 54,715 | 31,963 | - | 13,699 | - | 17,321 | 254,358 |
| **Nicholas Cernotta** | **2022** | **130,455** | **44,340** | **-** | **-** | **46,591** | **13,977** | **13,977** | **249,340** |
| Non-Executive Director | 2021 | 114,155 | 54,715 | 11,359 | - | 27,397 | 5,153 | 15,016 | 227,795 |
| **John Richards[61]** | **2022** | **190,000** | **-** | **25,000** | **-** | **-** | **30,000** | **-** | **245,000** |
| Non-Executive Director | 2021 | 62,268 | - | 7,116 | - | - | 10,675 | 7,495 | 87,554 |
| **Sally Langer[62]** | **2022** | **172,796** | **-** | **22,727** | **18,182** | **22,727** | **-** | **23,568** | **260,000** |
| Non-Executive Director | 2021 | 60,862 | - | 7,296 | - | 5,472 | - | 6,995 | 80,625 |
| **Sharon Warburton[63]** | **2022** | **148,258** | **-** | **-** | **13,407** | **16,758** | **-** | **11,967** | **190,390** |
| Non-Executive Director | 2021 | - | - | - | - | - | - | - | - |
| **Former Non-Executive Directors** | | | | | | | | | |
| **Anthony Kiernan[64]** | **2022** | **87,796** | **-** | **-** | **7,024** | **9,230** | **-** | **10,405** | **114,455** |
| Former Lead Independent Director | 2021 | 75,383 | - | - | 2,630 | 5,259 | - | 7,911 | 91,183 |
| **Mary Hackett** | **2022** | **118,273** | **44,340** | **22,727** | **36,364** | **-** | **-** | **27,636** | **249,340** |
| Non-Executive Director | 2021 | 105,155[65] | 54,715 | 18,265 | 13,699 | - | - | 22,881 | 214,715 |
| **Peter O'Connor[66]** | **2022** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Former Non-Executive Director | 2021 | 70,995 | 34,035 | - | 4,131 | 8,262 | - | 7,922 | 125,345 |
| **Shirley In'tVeld[67]** | **2022** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Former Non-Executive Director | 2021 | 114,155 | 54,715 | 12,285 | - | - | 6,178 | 12,599 | 199,932 |
| **TOTAL** | **2022** | **1,543,959** | **133,020** | **115,909** | **74,976** | **135,842** | **58,977** | **112,990** | **2,175,673** |
| | 2021 | 739,633 | 252,895 | 88,284 | 20,460 | 60,089 | 22,006 | 98,140 | 1,281,507 |

58. Base fee in this table includes the Lead Independent Director fee payable to John Fitzgerald until 12 February 2021 from which point Anthony Kiernan AM was appointed Lead Independent Director until his resignation on 18 November 2021.
59. The Company pays superannuation to Directors in accordance with minimum superannuation guarantee obligations as required by Australian superannuation law. Director's base and Committee fees are calculated inclusive of superannuation. All fees in this table, to the extent paid in cash, are shown net of any applicable superannuation paid, with any amounts remitted to a Director's superannuation fund shown separately. Where a Director is eligible to elect for the Company to not remit superannuation on their behalf, and have been provided an appropriate exemption by the Australian Taxation Office, the Company has paid the applicable amount of superannuation to the Director and included the amount in their relevant net fees. Some Directors have been exempt from superannuation for the whole year, with others exempt for part year only or not at all.
60. Michael Chaney AO was appointed as Chairman on 1 July 2021.
61. John Richards joined the Board as a Non-Executive Director of the Company on 12 February 2021, on implementation of the merger with Saracen.
62. Sally Langer joined the Board as a Non-Executive Director of the Company on 12 February 2021, on implementation of the merger with Saracen.
63. Sharon Warburton was appointed as a Non-Executive Director on 1 September 2021.
64. Anthony Kiernan AM joined the Board as a Non-Executive Director of the Company on 12 February 2021 on implementation of the merger with Saracen. Mr Kiernan AM resigned as a Director effective 18 November 2021.
65. Mary Hackett's FY21 base fee has been reduced by $9,000 from what was reported in the FY21 Annual Report, on the basis Ms Hackett's salary packaged superannuation was incorrectly double counted (in base fee and superannuation). Ms Hackett's FY21 remuneration, and total FY21 NED remuneration, has been updated in this table accordingly.
66. Peter O'Connor resigned as a Non-Executive Director of the Company on 12 February 2021, on implementation of the merger with Saracen.
67. Shirley In't Veld resigned as a Non-Executive Director of the Company on 30 June 2021.







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## 18. Allocation methodology for grant of FY22 STI & LTI Performance Rights

The quantum of LTI and STI Performance Rights which were granted to the Executive KMP in FY22 was determined by dividing a percentage of their respective FAR by the face value of Shares (90 day VWAP prior to 1 July 2021 which was $10.31). The percentage is set by the Board according to the role performed and experience held by each of the Executive KMP.

The maximum possible total value of the Performance Rights is the assessed fair value at the grant dates of the Performance Rights, calculated in accordance with Australian Accounting Standards, multiplied by the number of Performance Rights granted.

**Table 17** Fair value of unvested FY22 STI Performance Rights[68] of Executive KMP at 30 June 2022 (vested at 31 July 2022)

| Name | Performance Rights | Fair value per Right | Fair value of Rights total | Performance achieved | Rights vested | Rights lapsed / forfeited |
|---|---|---|---|---|---|---|
| **Executive KMP[69]** | | | | | | |
| **Stuart Tonkin** | 164,888[70] | 10.41 | 1,715,989 | 52.4% | 86,401 | 78,487 |
| **Simon Jessop** | 42,434[71] | 9.28 | 393,957 | 52.4% | 22,235 | 20,199 |
| **Ryan Gurner** | 50,921[72] | 9.28 | 472,751 | 52.4% | 26,682 | 24,239 |
| **Hilary Macdonald** | 45,465[73] | 9.28 | 422,097 | 52.4% | 23,823 | 21,642 |

**Table 18** Fair value of unvested FY22 LTI-1 and LTI-2 Performance Rights[74] of Executive KMP at 30 June 2022

| Name | Performance Rights[75] | Fair value per Right | Fair value of Rights total | Rights vested | Rights lapsed / forfeited |
|---|---|---|---|---|---|
| **Executive KMP[76]** | | | | | |
| **Stuart Tonkin** | 577,108[77] | 7.48 | 4,315,379 | Nil | Nil |
| **Simon Jessop** | 148,520[78] | 6.68 | 991,532 | Nil | Nil |
| **Ryan Gurner** | 118,816[79] | 6.68 | 793,226 | Nil | Nil |
| **Hilary Macdonald** | 106,085[80] | 6.68 | 708,232 | Nil | Nil |

68. FY22 STI Performance Rights grant date was 19 November 2021; measurement date was 30 June 2022.
69. Former Executive KMP, Bill Beament, Raleigh Finlayson and Morgan Ball, did not receive FY22 STIs.
70. Stuart Tonkin elected 100% of his FY22 STI to be delivered in Performance Rights.
71. Simon Jessop did not elect for 100% of his FY22 STI to be delivered in Performance Rights.
72. Ryan Gurner elected 100% of his FY22 STI to be delivered in Performance Rights.
73. Hilary Macdonald elected 100% of her FY22 STI to be delivered in Performance Rights.
74. FY22 LTI Performance Rights grant date was 19 November 2021; measurement date for LTI-1 is 30 June 2025 and measurement date for LTI-2 is 30 June 2024.
75. This column indicates the total FY22 LTI-1 and LTI-2 Performance Rights granted to Executive KMP, to be measured on 30 June 2025 and on 30 June 2024, respectively.
76. Former Executive KMP, Bill Beament, Raleigh Finlayson and Morgan Ball, did not receive FY22 LTIs.
77. Comprising 329,776 LTI-1 Performance Rights and 247,332 LTI-2 Performance Rights.
78. Comprising 84,869 LTI-1 Performance Rights and 63,651 LTI-2 Performance Rights.
79. Comprising 67,895 LTI-1 Performance Rights and 50,921 LTI-2 Performance Rights.
80. Comprising 60,620 LTI-1 Performance Rights and 45,465 LTI-2 Performance Rights.





## 19. Allocation methodology for grant of FY22 NED Share Rights

Previously, the Non-Executive Directors could elect at the start of each financial year to receive a $50,000 portion of their NED base fee in NED Share Rights under the FY20 NED Share Plan (subject to shareholder approval), the terms of which are summarised at pages 126 & 127 of the 2021 Annual Report available at https://www.nsrltd.com/investor-and-media/reports/annual-reports. Prior to the end of FY21, John Fitzgerald, Mary Hackett and Nick Cernotta each elected to take NED Share Rights in lieu of $50,000 of their FY22 NED base fee. Any grant of FY22 NED Share Rights to the other Non-Executive Directors in lieu of a $50,000 portion of their NED base fee would have been subject to shareholder approval at the Annual General Meeting held on 18 November 2021, however it was decided not to seek such approval and to cease awards of NED Share Rights. No FY23 NED Share Rights have been offered or granted; all FY23 NED fees will be delivered in cash.

The quantum of NED Share Rights which were granted to the Non-Executive Directors in FY22 was determined by dividing the amount of $50,000 by the face value of Shares (calculated as the 20 day VWAP up to and including 30 June 2021, which was $10.4678).

The maximum possible total value of the NED Share Rights is the assessed fair value at the grant dates of the NED Share Rights, calculated in accordance with Australian Accounting Standards, multiplied by the number of NED Share Rights granted.

The only vesting condition of the FY22 NED Share Rights is that the individual remained a Non-Executive Director of the Company on 30 June 2022, with pro rata reduction if the directorship ended for any reason prior to 30 June 2022.

**Table 19** Fair value of unvested FY22 NED Share Rights held by Non-Executive Directors at 30 June 2022 (vested at 1 July 2022)

| Name | NED Share Rights | Fair value per Right | Fair value of Rights total | Service Condition satisfied | Rights vested | Rights lapsed / forfeited |
|---|---|---|---|---|---|---|
| **Non-Executive Directors** | | | | | | |
| **Michael Chaney AO** | n/a | n/a | n/a | n/a | n/a | n/a |
| **John Fitzgerald** | 4,776 | 9.28 | 44,340 | 100% | 4,776 | Nil |
| **Nick Cernotta** | 4,776 | 9.28 | 44,340 | 100% | 4,776 | Nil |
| **John Richards** | n/a | n/a | n/a | n/a | n/a | n/a |
| **Sally Langer** | n/a | n/a | n/a | n/a | n/a | n/a |
| **Sharon Warburton** | n/a | n/a | n/a | n/a | n/a | n/a |
| **Former Non-Executive Directors** | | | | | | |
| **Mary Hackett** | 4,776 | 9.28 | 44,340 | 100% | 4,776 | Nil |
| **Anthony Kiernan** | n/a | n/a | n/a | n/a | n/a | n/a |

## 20. Securities held by KMP during FY22

The following tables set out the Shares and Performance Rights held by the KMP at the start and end of financial year ended 30 June 2021.

**Table 20** Shares held by the KMP[81] on 1 July 2021 and 30 June 2022 and changes

| | Balance 1/7/2021 or at date of commencing as KMP | Changes during FY22 | | Balance 30/6/2022 or at date of ceasing as KMP |
|---|---|---|---|---|
| | | Converted from vested Rights[82] | Acquired / sold on market | |
| **Executive KMP** | | | | |
| **Stuart Tonkin** | 1,025,000 | 58,434[83] | 150,000 | 1,233,434 |
| **Simon Jessop[84]** | 236,516[85] | - | - | 236,516 |
| **Ryan Gurner** | 13,365 | 38,260[86] | - | 51,625 |
| **Hilary Macdonald** | 121,525[87] | - | (26,021) | 95,504 |
| **Former Executive KMP** | | | | |
| **Bill Beament** | 5,906,118[88] | - | - | 5,906,118[89] |
| **Raleigh Finlayson[84]** | 2,266,978[90] | - | 100,000 | 2,366,978[91] |
| **Morgan Ball[84]** | 471,980[92] | - | (90,000) | 381,980 |
| **Non-Executive Directors** | | | | |
| **Michael Chaney AO** | 25,000 | - | - | 25,000 |
| **John Fitzgerald** | 63,198 | - | - | 63,198 |
| **Nick Cernotta** | 4,623 | 3,712[93] | - | 8,335 |
| **John Richards** | 10,558 | - | 10,000 | 20,558 |
| **Sally Langer** | 2,210 | - | 11,460 | 13,670 |
| **Sharon Warburton** | 2,710 | - | 5,360 | 8,070 |
| **Former Non-Executive Directors** | | | | |
| **Mary Hackett** | 20,028 | - | - | 20,028 |
| **Anthony Kiernan** | 33,754 | - | - | 33,754[94] |
| **TOTAL** | **10,203,563** | **100,406** | **160,799** | **10,464,768** |

81. Including their close family members and entities controlled by them. No Shares are held nominally by any KMP.
82. Performance Rights in the case of Executive KMP, and NED Share Rights in the case of Non-Executive Directors.
83. Exercise of vested FY21 STI Performance Rights.
84. Raleigh Finlayson, Morgan Ball and Simon Jessop agreed to holding locks over a portion of their Northern Star shareholding acquired in FY21 as a result of conversion of Saracen shares to Northern Star Shares as the Scheme consideration for the merger implemented on 12 February 2021.
85. 5,880 were subject to holding lock until 30 June 2021; 22,049 were subject to holding lock until 30 June 2022; and 31,750 are subject to holding lock until 30 June 2023.
86. Exercise of vested FY17 LTI and FY21 STI Performance Rights.
87. 58,750 were subject to holding lock until 17 October 2021.
88. 976,001 were at 30 June 2021 subject to holding lock until the loan associated with these former vested FY15 and FY16 performance shares was repaid. This loan was repaid in August 2021.
89. Nil changes reflected in this table, as Bill Beament ceased as KMP on 1 July 2021
90. 7,839 were subject to holding lock until 30 June 2021; 29,398 were subject to holding lock until 30 June 2022; and 42,333 remain subject to holding lock until 30 June 2023.
91. Balance held on resignation date 22 September 2021.
92. 5,880 were subject to holding lock until 30 June 2021; 22,049 were subject to holding lock until 30 June 2022; and 31,750 are subject to holding lock until 30 June 2023.
93. Exercise of vested FY21 NED Share Rights.
94. Balance held on resignation date 18 November 2021.





**Table 21** Unvested Performance Rights held by the Executive KMP on 1 July 2021 and on 30 June 2022

| | Balance 1/7/2021 | Balance 30/6/2022 |
|---|---|---|
| **Executive KMP** | | |
| **Stuart Tonkin** | 459,284 | 1,095,036 |
| **Simon Jessop** | 14,756 | 205,710 |
| **Ryan Gurner** | 249,390 | 245,926 |
| **Hilary Macdonald** | 71,528 | 207,308 |
| **Former Executive KMP** | | |
| **Bill Beament** | 822,196 | 491,660 |
| **Raleigh Finlayson** | 68,862 | 28,692 |
| **Morgan Ball** | 14,756 | - |
| **TOTAL** | **1,700,772** | **2,274,332** |

**Table 22** NED Share Rights held by the Non-Executive Directors[95] on 1 July 2021 and 30 June 2022

| | Balance 1/7/2021 | Balance 30/6/2022 |
|---|---|---|
| **Non-Executive Directors** | | |
| **Michael Chaney AO** | - | - |
| **John Fitzgerald** | 8,335 | 13,111[96] |
| **Nick Cernotta** | 3,712 | 4,776[97] |
| **John Richards** | - | - |
| **Sally Langer** | - | - |
| **Sharon Warburton** | - | - |
| **Former Non-Executive Directors** | | |
| **Mary Hackett** | 3,712 | 8,488[98] |
| **Anthony Kiernan** | - | - |
| **TOTAL** | **15,759** | **26,375** |

95. Non-Executive Directors that commenced on 12 February 2021 and following that date did not receive a grant of FY21, FY22 or FY23 NED Share Rights – see section 19 for further information.
96. Comprising 4,623 vested FY20 Share Rights, 3,712 vested FY21 Share Rights, and 4,776 vested FY22 Share Rights.
97. Comprising 3,712 vested FY21 Share Rights, and 4,776 vested FY22 Share Rights.
98. Comprising 3,712 vested FY21 Share Rights, and 4,776 vested FY22 Share Rights.

## 21. Contractual Arrangements with Executive KMP

The following contractual arrangements were in place with the Executive KMP for FY22.

**Table 23** Contractual arrangements with Executive KMP

| Element | Managing Director & CEO (22 July 2021 to present) | Other Executive KMP |
|---|---|---|
| **Contract duration** | No fixed term, subject to termination with or without cause | No fixed term, subject to termination with or without cause |
| **Notice period for termination by the Company** | 6 months | 6 months |
| **Notice period for termination by the employee** | 3 months | 3 months |
| **FAR** | $1,700,000 | $625,000 to $875,000 – refer to Table 11 |
| **FY22 STI opportunity**<br>• **100% Performance Rights**<br>**or**<br>• **50% Performance Rights & 50% cash** | 100% of FAR | 75% to 100% of FAR – refer to Figure 6 and Footnote 36 |
| **FY22 LTI-1 opportunity**<br>**(4 year annual grant)** | 200% of FAR | 100% of FAR – refer to Figure 6 and Footnote 36 |
| **FY22 LTI-2 opportunity**<br>**(once off 3 year grant)** | 150% of FAR | 75% of FAR – refer to Figure 6 and Footnote 36 |




Shop front on Burt Street, Kalgoorlie-Boulder





Martu Ranger, Ray Carbine on route to Inspection area, Jundee Operations, Yandal Production Centre, Western Australia

## Summary of FY20 Share Plan

Below is a summary of the FY20 Share Plan approved by shareholders at the November 2020 Annual General Meeting. The Company issues long term and short term incentives as Performance Rights under this Plan, using a face value allocation methodology.

Incentivising the Company's high-performing team is the essential link between senior management remuneration, the Company's performance and delivery of long-term sustainable shareholder value.

| | | |
|---|---|---|
| 1 | **Purpose** | The main objectives of the Plan are to create a stronger link between performance and longer-term remuneration outcomes for those who participate in the Plan (Participants) and allow Participants to share in the future growth and profitability of the Company. |
| 2 | **Eligible Directors** | Broadly, any full or part-time employee (including an executive director) of the Company or a subsidiary (Group Employee) who has not given a notice of resignation or been given a notice of termination of employment is eligible. Non-Executive Directors are not eligible to participate. |
| 3 | **Administration of the Plan** | The Plan is administered by the Remuneration Committee under the directions of the Board. The Board may delegate its powers and discretions, determine procedures for the administration of the Plan, and resolve questions of interpretation and disputes in relation to the Plan. |
| 4 | **Invitations** | The Board may issue Invitations to Eligible Employees to be granted Awards under the Plan. The terms and conditions in the Invitation will prevail to the extent of any inconsistency with the FY20 Share Plan rules. For Group Employees, the measurable objectives, the weighting amongst them and the performance periods during which time they are required to be met, are set by the Board annually in relation to the Executive KMP, and by the CEO annually in relation to other senior management employees, for the short term incentives and long term incentives for each year in which Awards are granted under the Plan. |
| 5 | **Awards** | Awards consist of grants of Performance Rights or other conditional rights to be delivered a Share on the vesting of the Participant's Share Rights. |
| 6 | **No Transfer** | A Share Right may not be transferred without the prior written approval of the Board. |
| 7 | **Vesting Conditions** | Awards are subject to Vesting Conditions. Vesting Conditions are determined by the Board and described in the Invitation, and include performance conditions set by the Board.<br>The Board may waive, replace or amend a Vesting Condition, for example, if the Board determines that the original performance measure is no longer appropriate, practical or applicable. |
| 8 | **Vesting of Awards** | Awards will vest if and when the Board determines that the Vesting Conditions are satisfied and the Participant is notified of this in writing. |
| 9 | **Delivery of Shares** | Following vesting of a Share Right, the Participant will be entitled to delivery of a Share upon exercising the Share Right. Awards that vest are normally exercisable up until the tenth anniversary of the date of grant of the Awards (although shorter periods will apply if the Participant ceases to be employed).<br>The Board will determine how the Shares are to be delivered, which may be by issue of new Shares to, purchase and transfer to, or procuring Shares to be held for the benefit of (i.e. through the Company's Employee Share Trust), the relevant Participant, or a combination of such methods of delivery.<br>Alternatively, the Board may determine to settle in cash in lieu of delivering Shares. The cash payment would be based on the volume weighted average price of Shares in the 20 ASX trading days prior to the date of exercise. |







| | | |
|---|---|---|
| 10 | **Ranking of Shares** | Any Shares delivered to a Participant when an Award is exercised will rank equally with all other issued Shares. |
| 11 | **Restricted Shares** | Invitations may specify that Shares delivered on vesting cannot be disposed of for a specified period following delivery. |
| 12 | **Termination of employment** | The Invitation will specify the consequences of cessation of employment during a performance period, depending on the reasons, and subject to Board discretion. For example, where employment ends because of agreed mutual separation, the proportion of the unvested Share Rights which is the same as the proportion of the relevant performance period during which the Participant was employed, may or may not lapse according to Board discretion, and the balance of the Share Rights will lapse on cessation, unless the Board exercises discretion otherwise. |
| 13 | **Malus and Clawback** | The Board may reduce unvested Awards, and clawback previously vested Awards from a Participant or former Participant within two years from the date of delivery of Shares (or receipt of cash paid in lieu of delivering Shares). The Board may exercise this power having regard to matters it considers relevant acting in good faith in the interests of the Company, such as instances of:<br>• material financial misstatements;<br>• significant negligence;<br>• significant legal, regulatory and/or policy non-compliance;<br>• significant harmful act by the individual; or<br>• the Board holding the opinion that the Participant received or would receive a grossly unjustifiable benefit because of factors outside the Participant's control. |
| 14 | **No participation** | Share Rights do not entitle the holder to participate in a new issue of Shares or other securities, or the right to any dividends or distributions paid on Shares. |
| 15 | **Control transactions** | If a control event occurs:<br>a the proportion of the unvested Share Rights of each Participant which is the same as the proportion of the relevant performance period that has expired before the date of the control event (determined by the Board) will vest immediately (regardless of the status of the Vesting Conditions, without limiting the Board's ability to exercise downward discretion if circumstances warrant this); and<br>b the balance of the Share Rights will vest or lapse on that date, as the Board determines in its discretion.<br>A "control event" includes: a takeover bid where the bidder has acquired a relevant interest in more than 50% of the Shares and either the Board has recommended the bid or the bid has become unconditional; court approval of a scheme of arrangement which will result in a person having a relevant interest in more than 50% of the Shares; or another event which the Board declares to be a control event. |
| 16 | **Amendment** | The Board may amend the Plan. However, the Participant's consent is required for amendments to the Plan that reduce the rights of the Participant in respect of an Award that has already been granted (other than for legal reasons, correcting manifest errors/mistakes or tax reasons). |
| 17 | **Operation** | The operation of the Plan is subject to the Company's Constitution, the Listing Rules, the Corporations Act and other applicable laws. |
| 18 | **Board Discretion** | The Board retains absolute discretion to vary Awards or the application of the rules of the Plan, and to exercise or refrain from exercising any power or discretion under the FY20 Share Plan rules. |

# Auditor's Independence Declaration

**Deloitte.**

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Directors
Northern Star Resources Limited
Level 1, 388 Hay Street
Subiaco WA 6008

28 August 2022

Dear Directors

**Auditor's Independence Declaration to Northern Star Resources Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Northern Star Resources Limited and its controlled entities.

As lead audit partner for the audit of the financial report of Northern Star Resources Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

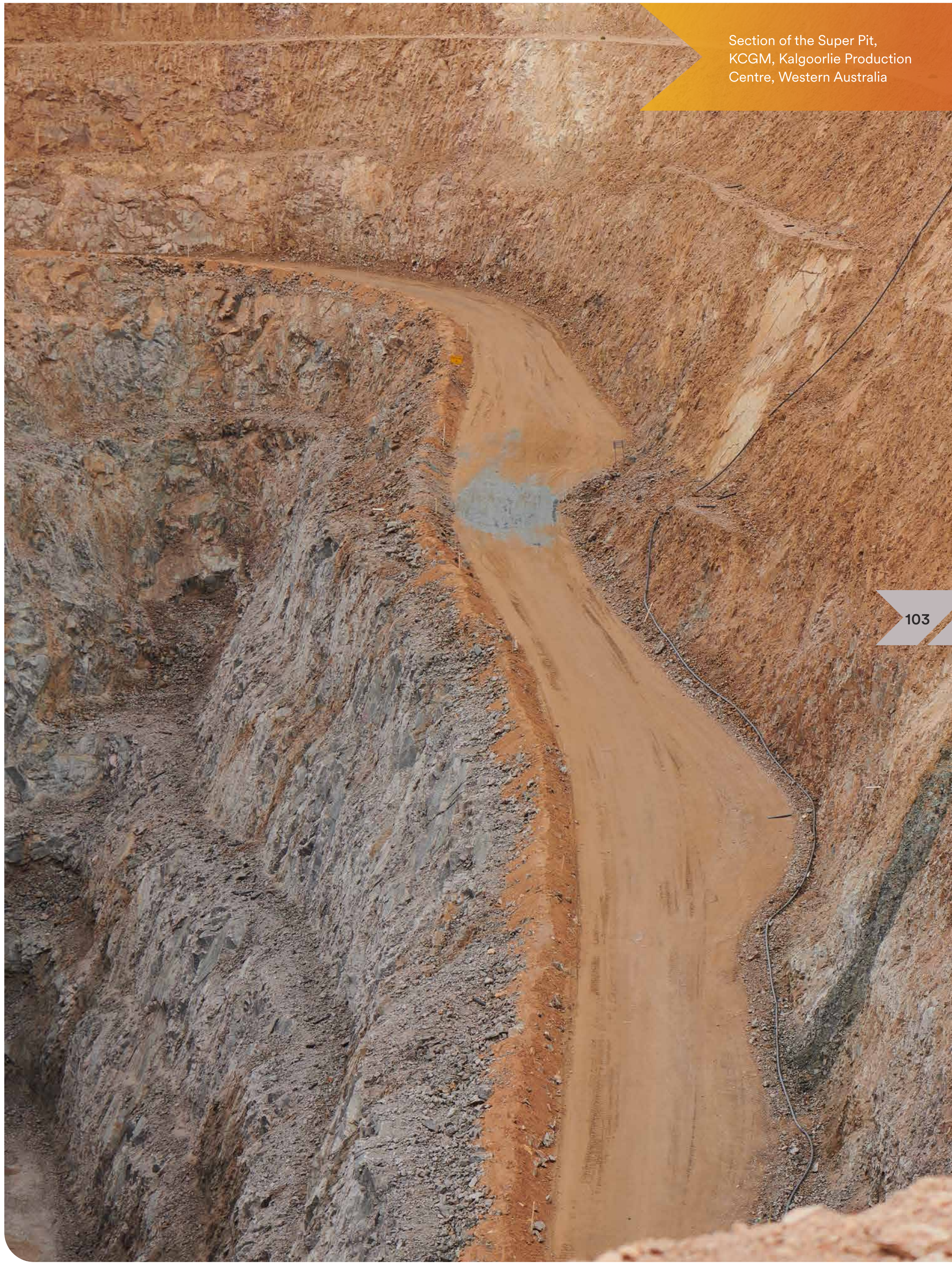
Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

**D K Andrews**
Partner
Chartered Accountants









Section of the Super Pit, KCGM, Kalgoorlie Production Centre, Western Australia

# Financial Report

# In this Financial Report









## Consolidated Statement of Profit or Loss and Other Comprehensive Income

| For the year ended 30 June 2022 | Notes | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|---|
| Revenue | 4 | **3,735.4** | 2,760.5 |
| Cost of sales | 6(a) | **(3,221.8)** | (2,183.7) |
| | | **513.6** | 576.8 |
| Other income and expense | 5 | **297.4** | (7.8) |
| Corporate, technical services and projects | 6(b) | **(114.7)** | (98.6) |
| Acquisition and integration costs | | **(7.4)** | (231.8) |
| Impairment of assets | 6(c) | **(52.4)** | (545.6) |
| Finance costs | 6(d) | **(26.4)** | (28.4) |
| Gain on remeasurement of existing interest in KCGM | 13 | **-** | 1,919.3 |
| **Profit before income tax** | | **610.1** | 1,583.9 |
| Income tax expense | 7 | **(180.3)** | (551.4) |
| **Profit for the year** | | **429.8** | 1,032.5 |
| **Other comprehensive income (OCI)** | | | |
| *Items that may be reclassified to profit or loss* | | | |
| Exchange differences on translation of foreign operations | | **36.4** | (33.4) |
| Gains/ (losses) on cash flow hedges | | **(0.7)** | 0.4 |
| *Items that may not be reclassified to profit or loss* | | | |
| Income tax relating to these items | | **1.7** | 1.9 |
| Changes in the fair value of financial assets at fair value through OCI | | **(1.9)** | 26.1 |
| **Other comprehensive income/ (loss) for the year, net of tax** | | **35.5** | (5.0) |
| **Total comprehensive income for the year** | | **465.3** | 1,027.5 |
| Total comprehensive income for the year is attributable to: | | | |
| Owners of the Company | | **465.3** | 1,027.5 |
| | | **Cents** | Cents |
| **Earnings per share for profit attributable to the ordinary equity holders of the Company:** | | | |
| Basic earnings per share | 23(a) | **37.0** | 114.7 |
| Diluted earnings per share | 23(b) | **36.8** | 114.3 |

*The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Financial Position

| **As at 30 June 2022** | Notes | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 8(b) | **571.1** | 771.9 |
| Trade and other receivables | 8(a) | **155.0** | 122.0 |
| Inventories | 9(f) | **679.2** | 583.9 |
| Current tax asset | 9(e) | **24.0** | 155.9 |
| Assets classified as held for sale | 15 | **-** | 204.3 |
| **Total current assets** | | **1,429.3** | 1,838.0 |
| | | | |
| **Non-current assets** | | | |
| Trade and other receivables | 8(a) | **4.9** | 0.9 |
| Inventories | 9(f) | **264.3** | 404.3 |
| Financial assets | 8(c) | **185.0** | 23.8 |
| Property, plant and equipment | 9(a) | **2,052.6** | 1,544.9 |
| Right of use asset | 9(b) | **137.8** | 138.5 |
| Exploration and evaluation assets | 9(c) | **653.5** | 609.3 |
| Mine properties | 9(d) | **6,319.8** | 6,684.1 |
| Intangible assets | 13 | **83.8** | 5.6 |
| **Total non-current assets** | | **9,701.7** | 9,411.4 |
| | | | |
| **Total assets** | | **11,131.0** | 11,249.4 |
| | | | |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 8(d) | **339.5** | 296.5 |
| Borrowings | 8(e) | **70.3** | 36.4 |
| Provisions | 9(g) | **316.2** | 316.5 |
| Lease Liabilities | 9(b) | **50.3** | 50.1 |
| Liabilities directly associated with assets classified as held for sale | 15 | **-** | 65.3 |
| **Total current liabilities** | | **776.3** | 764.8 |
| | | | |
| **Non-current liabilities** | | | |
| Borrowings | 8(e) | **297.9** | 709.8 |
| Provisions | 9(g) | **654.7** | 779.1 |
| Deferred tax liabilities | 9(e) | **1,094.2** | 925.3 |
| Trade and other payables | 8(d) | **-** | 0.1 |
| Lease Liabilities | 9(b) | **93.0** | 91.8 |
| **Total non-current liabilities** | | **2,139.8** | 2,506.1 |
| | | | |
| **Total liabilities** | | **2,916.1** | 3,270.9 |
| | | | |
| **Net assets** | | **8,214.9** | 7,978.5 |
| | | | |
| **EQUITY** | | | |
| Share capital | 10(a) | **6,435.0** | 6,435.1 |
| Reserves | | **48.7** | 14.9 |
| Retained earnings | | **1,731.2** | 1,528.5 |
| | | | |
| **Total equity** | | **8,214.9** | 7,978.5 |

*The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.*






## Consolidated Statement of Changes in Equity

| **For the year ended 30 June 2022** | Notes | **Share capital $M** | **Financial assets at fair value through OCI $M** | **Share based payments reserve $M** | **Foreign currency translation reserve $M** | **Cash flow hedge reserve $M** | **Retained earnings $M** | **Total equity $M** |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2020** | | 1,323.9 | (14.8) | 10.4 | 17.8 | - | 806.5 | 2,143.8 |
| | | | | | | | | |
| Profit for the year | | - | - | - | - | - | 1,032.5 | 1,032.5 |
| Other comprehensive income | | - | 28.0 | - | (33.4) | 0.4 | - | (5.0) |
| **Total comprehensive income for the year** | | **-** | **28.0** | **-** | **(33.4)** | **0.4** | **1,032.5** | **1,027.5** |
| | | | | | | | | |
| **Transactions with owners in their capacity as owners:** | | | | | | | | |
| Issue of ordinary shares as part of Dividend Reinvestment Plan | | 5,104.6 | - | - | - | - | - | 5,104.6 |
| Dividends provided for or paid | 12(b) | - | - | - | - | - | (310.5) | (310.5) |
| Employee share and option plans - value of employee services | | 2.4 | - | 10.6 | - | - | - | 13.0 |
| Exercise of employee share awards | | 3.9 | - | (3.9) | - | - | - | - |
| Share plan loan repayment | | - | - | 0.3 | - | - | - | 0.3 |
| Tax | | 0.3 | - | (0.5) | - | - | - | (0.2) |
| | | 5,111.2 | - | 6.5 | - | - | (310.5) | 4,807.2 |
| **Balance at 30 June 2021** | | **6,435.1** | **13.2** | **16.9** | **(15.6)** | **0.4** | **1,528.5** | **7,978.5** |

| | Notes | **Share capital $M** | **Financial assets at fair value through OCI $M** | **Share based payments reserve $M** | **Foreign currency translation reserve $M** | **Cash flow hedge reserve $M** | **Retained earnings $M** | **Total equity $M** |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2021** | | 6,435.1 | 13.2 | 16.9 | (15.6) | 0.4 | 1,528.5 | 7,978.5 |
| | | | | | | | | |
| Profit for the year | | - | - | - | - | - | 429.8 | 429.8 |
| Other comprehensive income | | - | (0.2) | - | 36.4 | (0.7) | - | 35.5 |
| **Total comprehensive income for the year** | | **-** | **(0.2)** | **-** | **36.4** | **(0.7)** | **429.8** | **465.3** |

*The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Changes in Equity

| | Notes | Share capital $M | Financial assets at fair value through OCI $M | Share based payments reserve $M | Foreign currency translation reserve $M | Cash flow hedge reserve $M | Retained earnings $M | Total equity $M |
|---|---|---|---|---|---|---|---|---|
| **Transactions with owners in their capacity as owners:** | | | | | | | | |
| Issue of ordinary shares as part of Dividend Reinvestment Plan | 10(a) | 8.8 | - | - | - | - | - | 8.8 |
| Treasury shares | 10(a) | (18.2) | - | - | - | - | - | (18.2) |
| Dividends provided for or paid | 12(b) | - | - | - | - | - | (227.1) | (227.1) |
| Employee share and option plans - value of employee services | | - | - | 9.4 | - | - | - | 9.4 |
| Exercise of employee share awards | | 6.8 | - | (6.8) | - | - | - | - |
| Share plan loan repayment | | 2.0 | - | (1.3) | - | - | - | 0.7 |
| Tax | | 0.5 | - | (3.0) | - | - | - | (2.5) |
| | | (0.1) | - | (1.7) | - | - | (227.1) | (228.9) |
| **Balance at 30 June 2022** | | **6,435.0** | **13.0** | **15.2** | **20.8** | **(0.3)** | **1,731.2** | **8,214.9** |

*Nature and purposes of reserves:*

Financial assets at FVOCI
The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve within equity as described at note Investments and other financial assets The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Share based payments
The share based payments reserve relates to shares, performance shares, performance rights and share options granted by the Company to its employees. Further information about share based payments to employees is set out in note 21.

The increase in share based payment reserve and expense for services rendered by employees during the period is determined with reference to the grant date fair value of the applicable award. The tax benefit, where available, in respect of those awards is made with reference to the share price at the time the underlying shares are acquired or issued by the Group to satisfy those awards. Where the tax benefit available is in excess of the tax effect on the cumulative charge to profit and loss, the remaining credit is determined to relate to the equity issue and is included within the share based payment reserve. Amounts recorded in the share based payment reserve are reclassified to contributed equity on vesting of the performance rights. During FY22, $0.5 million (2021: $0.3 million) was transferred from the share based payment reserve to contributed equity in relation to tax benefits on respective awards.

Foreign currency translation
Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Cash flow hedge reserve
The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

*The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*







## Consolidated Statement of Cash Flows

| For the year ended 30 June 2022 | Notes | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers (inclusive of GST) | | **3,695.0** | 2,726.0 |
| Payments to suppliers and employees (inclusive of GST) | | **(2,173.8)** | (1,421.6) |
| Payment for merger and acquisition related costs | | **(4.6)** | (72.6) |
| Interest received | | **5.3** | 2.7 |
| Interest paid | | **(9.1)** | (16.8) |
| Income taxes refunded/(paid) | | **86.4** | (140.9) |
| **Net cash inflow from operating activities** | 8(b) | **1,599.2** | 1,076.8 |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | **(410.4)** | (196.3) |
| Payments for exploration and evaluation | | **(120.7)** | (145.5) |
| Payments for mine properties | | **(497.6)** | (351.3) |
| Payments for investments | | **(168.7)** | (0.9) |
| Payments for acquisition of business and associated assets, net of cash acquired | 13 | **(98.0)** | 402.5 |
| Payments for asset acquisitions, net of cash acquired | | **(15.0)** | (11.9) |
| Proceeds from disposal of business | 14 | **401.9** | - |
| Proceeds from sale of financial assets at fair value through other comprehensive income | | **10.4** | 31.3 |
| Lease receipt | | **-** | 4.2 |
| Proceeds from disposal of assets | | **16.8** | 4.3 |
| Other | | **-** | 6.5 |
| **Net cash outflow from investing activities** | | **(881.3)** | (257.1) |
| **Cash flows from financing activities** | | | |
| Payments for issues of shares and other equity securities | | **(19.4)** | (2.2) |
| Proceeds from borrowings | | **300.0** | 658.0 |
| Repayments of equipment financing and leases | | **(128.2)** | (80.9) |
| Repayment of borrowings | | **(861.5)** | (983.0) |
| Dividends paid to Company's shareholders | 12(b) | **(218.3)** | (310.5) |
| **Net cash outflow from financing activities** | | **(927.4)** | (718.6) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(209.5)** | 101.1 |
| Cash and cash equivalents at the beginning of the financial period | | **771.9** | 677.3 |
| Effects of exchange rate changes on cash and cash equivalents | | **8.7** | (3.2) |
| Assets included in a disposal group classified as held for sale | | **-** | (3.3) |
| **Cash and cash equivalents at end of year** | 8(b) | **571.1** | 771.9 |

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## Contents of the notes to the consolidated financial statements







FINANCIAL REPORT

## 1 Critical estimates and judgements

**(a) Critical accounting estimates and assumptions**

*(i) Determination of mineral resources and ore reserves*

The Group reports its Mineral Resources and Ore Reserves in accordance with the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - the JORC Code. The information on Mineral Resources and Ore Reserves is prepared by Competent Persons as defined by the JORC Code.

There are numerous uncertainties inherent in estimating Mineral Resources and Ore Reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes may impact asset carrying values, depreciation and amortisation rates, deferred development costs and provisions for restoration.

Other critical accounting judgements, estimates and assumptions are discussed in the following notes:

| | |
|---|---|
| Unit of production method of depreciation/amortisation | note 9(d) |
| Exploration and evaluation expenditure | note 9(c) |
| Business combinations | note 13 |
| Mine rehabilitation provision | note 9(g) |
| Impairment of assets | note 6(c) |
| Life of component ratio for stripping asset | note 9(d) |
| Share based payments | note 21 |

## 2 Segment information

The Group's Executive Committee consisting of the Managing Director and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Technical Officer and Chief Geological Officer examine the Group's performance and have identified seven reportable segments relating to the operations of the business:

**(a) Description of segments and principal activities**

The Group's reportable operating segments are:

1. Pogo, Alaska USA - Mining and processing of gold
2. Kalgoorlie Operations, WA Australia - Mining and processing of gold
3. KCGM, WA Australia - Mining and processing of gold
4. Jundee, WA Australia - Mining and processing of gold
5. Thunderbox, WA Australia - Mining and processing of gold
6. Carosue Dam, WA Australia - Mining and processing of gold
7. Exploration - Exploration and evaluation of gold mineralisation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues or incur expenses.

The Executive Committee has determined the Group to have seven operating segments (Kalgoorlie Operations, Jundee, Pogo, KCGM, Thunderbox, Carosue Dam and Exploration). As in the prior year, Kanowna Belle, East Kundana JV, Millennium and South Kalgoorlie is considered as one and has been presented as one reporting segment (Kalgoorlie Operations). The East Kundana JV and Millennium operations were sold in the current period. Refer to note 14(a) for more detail. The Exploration segment for the year ended 30 June 2022 includes Paulsens, Western Tanami, Tanami, Talisman, Bundarra and the Bronzewing project. The Paulsens and Western Tanami projects were sold in the current period. Refer to note 14(b) for more detail. Where related exploration assets are transferred to mine properties from the exploration segment in the future, these will be incorporated into the relevant operating segment.

## Segment information

**(a) Description of segments and principal activities (continued)**

Exploration comprises all projects in the exploration and evaluation phase of the Group. These include the Group's regional prospects as well as ongoing exploration programmes at the Group's respective sites.

An analysis of segment revenues is presented in note 4.

**(b) Segment results**

The segment information for the year ended 30 June 2022 is as follows:

| 2022 | KCGM $M | Kalgoorlie Operations $M | Carosue Dam $M | Pogo $M | Jundee $M | Thunderbox $M | Exploration $M | Total $M |
|---|---|---|---|---|---|---|---|---|
| Segment net operating profit/(loss) before income tax | 77.1 | 70.0 | (19.8) | 33.1 | 327.8 | 11.3 | (67.1) | 432.4 |
| Depreciation and amortisation | 356.3 | 94.8 | 276.9 | 130.9 | 123.5 | 117.0 | 1.9 | 1,101.3 |
| Impairment | - | - | - | - | - | - | 52.4 | 52.4 |
| Finance costs | 6.9 | 1.5 | 1.5 | 2.2 | 2.0 | 1.3 | 0.7 | 16.1 |
| **Segment EBITDA** | **440.3** | **166.3** | **258.6** | **166.2** | **453.3** | **129.6** | **(12.1)** | **1,602.2** |
| **Total segment assets** | 5,375.6 | 212.6 | 1,344.2 | 696.7 | 349.8 | 1,539.9 | 802.9 | 10,321.7 |
| **Total segment liabilities** | (603.8) | (155.5) | (137.9) | (196.6) | (136.6) | (192.1) | (39.0) | (1,461.5) |

Pogo's revenue is generated from production activities located in the United States of America (USA). Its non-current assets are also held in the USA. Total non-current assets for Pogo as at 30 June 2022 was A$598.2 million (2021: A$567.2 million). All other segments are Australian.



The segment information for the year ended 30 June 2021 is as follows:

| 2021 | KCGM $M | Kalgoorlie Operations $M | Carosue Dam $M | Pogo $M | Jundee $M | Thunderbox $M | Exploration $M | Total $M |
|---|---|---|---|---|---|---|---|---|
| Segment net operating profit/(loss) before income tax | (393.7) | 102.2 | (19.6) | 102.8 | 284.4 | (8.2) | (142.3) | (74.4) |
| Depreciation and amortisation | 220.4 | 129.4 | 105.4 | 95.4 | 93.5 | 7.7 | 4.9 | 656.7 |
| Impairment | 436.6 | - | - | - | 0.2 | - | 108.8 | 545.6 |
| Finance costs | 2.7 | 1.6 | 0.4 | 1.4 | 1.4 | 0.5 | 0.3 | 8.3 |
| Fair value loss on revaluation of financial assets | - | - | - | - | - | - | 17.4 | 17.4 |
| **Segment EBITDA** | **266.0** | **233.2** | **86.2** | **199.6** | **379.5** | **-** | **(10.9)** | **1,153.6** |
| **Total segment assets** | 5,397.0 | 216.2 | 1,454.7 | 592.0 | 278.5 | 1,365.0 | 762.1 | 10,065.5 |
| **Total segment liabilities** | (523.6) | (150.5) | (151.5) | (179.9) | (139.2) | (148.6) | (63.5) | (1,356.8) |





## Segment information

**(b) Segment results**

**(c) Segment EBITDA**

Segment EBITDA is a non-IFRS measure, being earnings before interest, tax, depreciation and amortisation and is calculated as follows: profit before income tax plus depreciation, amortisation, impairment and finance costs, less interest income.

Interest income, finance charges, interest expense and acquisition costs are not allocated to the operating segments as this type of activity is driven by the corporate treasury function which manages the cash position of the Group.

Segment EBITDA reconciles to profit before income tax for the year ended 30 June 2022 as follows:

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| **Segment EBITDA** | **1,602.2** | 1,153.6 |
| Other income and expense | **297.4** | (7.8) |
| Finance costs | **(26.4)** | (28.4) |
| Corporate and technical services | **(85.8)** | (62.2) |
| Share based payments | **(11.5)** | (13.0) |
| Gain on revaluation of existing interest in KCGM | **-** | 1,919.3 |
| Depreciation | **(295.3)** | (209.8) |
| Amortisation | **(815.2)** | (450.3) |
| Unwind of hedgebook contract liability | **4.5** | 59.9 |
| Acquisition costs | **(7.4)** | (231.8) |
| Impairment of assets | **(52.4)** | (545.6) |
| **Profit before income tax** | **610.1** | 1,583.9 |

**(d) Segment assets**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as follows:

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| **Segment assets** | **10,321.7** | 10,065.5 |
| Unallocated: | | |
| Financial assets | **184.3** | 23.2 |
| Asset classified as held for sale | **-** | 204.3 |
| Cash and cash equivalents | **481.3** | 718.3 |
| Derivative financial instruments | **-** | 0.5 |
| Trade and other receivables | **87.6** | 73.0 |
| Current tax asset | **24.0** | 155.9 |
| Property, plant and equipment | **32.1** | 8.6 |
| **Total assets as per the Consolidated Statement of Financial Position** | **11,131.0** | 11,249.3 |



Investments in equity securities (classified as financial assets at fair value through OCI) and in associates held by the Group are not considered to be segment assets as they are managed by the corporate treasury function.

**(e) Segment liabilities**

Reportable segments' liabilities are reconciled to total liabilities as follows:

## Segment information

**(e) Segment liabilities (continued)**

| | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|
| **Segment liabilities** | **(1,461.5)** | (1,356.8) |
| Unallocated: | | |
| Trade and other payables | **(16.4)** | (15.4) |
| Borrowings | **(98.7)** | (659.2) |
| Provisions | **(12.3)** | (11.2) |
| Provisions - other | **(233.0)** | (232.5) |
| Deferred tax (net) | **(1,094.2)** | (925.3) |
| Derivative financial instruments | **-** | (5.1) |
| Liabilities attributable to assets held for sale | **-** | (65.3) |
| **Total liabilities as per the Consolidated Statement of Financial Position** | **(2,916.1)** | (3,270.8) |







# How numbers are calculated

This section provides additional information about those individual line items in the consolidated financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

(a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction
(b) analysis and subtotals, including segment information, and
(c) information about estimates and judgements made in relation to particular items.

## 3 Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

• Finalisation of the purchase price accounting for the merger with Saracen Mineral Holdings Limited.
• The purchase of Newmont Corporations Kalgoorlie power business. For details refer to note 13(a) of the financial statements.
• The convertible debenture in Osisko. For details refer to note 8(c) of the financial statements
• The sale of the Kundana assets. For details refer to note 14(a) of the financial statements
• The sale of Paulsens and Western Tanami. For details refer to note 14(b) of the financial statements

## 4 Revenue

Accounting Policy
*(i) Sale of goods*
The Group primarily generates revenue from the sale of gold and silver bullion. The Group delivers dore bars to refiners, who convert the product into investment grade bullion for a fee, which is subsequently sold either to the refinery or third parties (financial institutions).

Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer.

Control is generally considered to have passed when:

• physical possession and inventory risk is transferred (including via a third-party transport provider arranged by the refinery):
• payment terms for the sale of goods can be clearly identified through the sale of metal credits received or receivable for the transfer of control of the asset;
• the Group can determine with sufficient accuracy the metal content of the goods delivered; and
• the refiner has no practical ability to reject the product where it is within contractually specified limits.

(ii) Sale of services
Tolling revenue is recognised as the tolling services are performed. The number of units processed is considered to be the most direct measurement of value delivered to the customer under the contractual arrangements and therefore tolling revenue is earned per tonne of ore processed.

The Group derives the following types of revenue:

| | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|
| Sale of gold | **3,724.9** | 2,749.3 |
| Sale of silver | **10.5** | 8.2 |
| Toll treatment | **-** | 3.0 |
| **Total revenue** | **3,735.4** | 2,760.5 |

Sale of gold includes an amount of $4.5 million (2021: $59.9 million) in relation to hedge book liability unwind, which has not been allocated to segments.

**(a) Segment revenue**

The total of revenue, broken down by operating segment, is shown in the following table. All revenue is from external customers. No revenues are generated by the Exploration operating segment.

## Revenue

**(a) Segment revenue (continued)**

| | KCGM $M | Pogo $M | Kalgoorlie Operations $M | Jundee $M | Carosue Dam $M | Thunderbox $M | Total $M |
|---|---|---|---|---|---|---|---|
| **2022** | **1,179.3** | **522.8** | **425.0** | **755.7** | **581.4** | **266.7** | **3,730.9** |
| 2021 | 731.0 | 474.6 | 590.2 | 660.1 | 202.5 | 42.2 | 2,700.6 |

## 5 Other income and expense items

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Net gain/(loss) on disposal of property, plant and equipment | **(0.3)** | (2.9) |
| Interest income | **6.0** | 2.5 |
| Net foreign exchange gains/(losses) | **7.7** | (7.3) |
| Other* | **5.5** | 8.7 |
| Fair value loss on revaluation of assets classified as held for sale | **-** | (17.4) |
| Net gain on sale of investment in associate | **-** | 8.6 |
| Loss on extinguishment of KCGM contract | **(19.4)** | - |
| Gain on sale of subsidiary and assets ** | **297.9** | - |
| | **297.4** | (7.8) |

* Other includes $0.8 million gain on remeasuring the Osisko convertible debenture to fair value at 30 June 2022.
** Gain of sale of subsidiary includes $242 million in regard to the sale of Kundana, and $56 million in regard to the sale of Paulsens and Western Tanami. Refer to note 14 for further details.

## 6 Expenses

**(a) Cost of sales**

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Mining | **790.4** | 480.8 |
| Processing | **583.8** | 392.0 |
| Site services | **89.8** | 75.2 |
| Employee benefit expenses | **491.4** | 405.5 |
| Depreciation | **290.5** | 202.8 |
| Amortisation | **815.2** | 449.0 |
| Government and other royalty expense | **90.1** | 62.5 |
| Change in inventories | **70.6** | 115.9 |
| | **3,221.8** | 2,183.7 |

*Depreciation/amortisation method*
Items of property, plant and equipment and mine properties are depreciated/amortised over their useful lives. The Group uses the unit-of-production basis when depreciating/amortising mine specific assets which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine which is referenced to the estimated economic reserve and resources of the property to which the assets relate. Each item's economic life, which is assessed annually has due regard to both its physical life limitations and to present assessments of economically recoverable reserves and resources of the mine property at which it is located.

Depreciation of non-mine specific property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Land and buildings — 5 - 20 years
- Plant and equipment — 2 - 20 years
- Motor Vehicles — 4 - 10 years
- Office equipment — 2 - 10 years
- Intangible assets — 20 years







## Expenses

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The useful lives of the above assets is not expected to be significantly impacted by the Group's sustainability strategy, given its focus on moving to electricity generated by renewables.

*Royalties*
Royalties under existing royalty regimes in Australia are payable on lodgement with the refining counterparty and are recognised as the sale occurs. Production Royalties in Alaska are based on taxable profit and are consequently treated as an income tax.

**(b) Corporate, technical services and projects**

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Administration and technical services | **47.9** | 35.6 |
| Depreciation | **4.8** | 6.9 |
| Employee benefit expenses | **46.9** | 35.8 |
| Share based payments | **11.5** | 13.0 |
| Amortisation | **-** | 1.3 |
| Exploration projects | **3.6** | 6.0 |
| | **114.7** | 98.6 |

*Accounting policy*
Share-based compensation benefits are provided to employees via Option, Share and Performance Rights Plans as discussed in note 21.

The fair value of shares and options granted under these Plans are recognised as a share based payments expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares or options granted, which includes any market performance conditions and the impact of any non-vesting conditions, but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of shares and options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of shares and options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss with a corresponding adjustment to equity.

**(c) Impairment of assets**

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Exploration and evaluation assets (note 9(c)) | **52.4** | 101.3 |
| Inventory | **-** | 436.6 |
| Property, plant and equipment | **-** | 7.7 |
| | **52.4** | 545.6 |

*Prior Year - Inventory writedown KCGM mineralised waste*
As part of the accounting for the merger with Saracen Minerals Holding Limited during the prior year, the Group obtained control of KCGM. As outlined in note 13, this required the Group to identify and measure the assets acquired at fair value, including the remeasurement of the Group's existing 50 percent interest in the KCGM Joint Operations. The stockpile reserves of KCGM at acquisition included 105 million tonnes of mineralised waste grading 0.68gpt containing an estimated 2.3 million ounces of gold. These proved reserves were considered to have fair value to a willing buyer and have the ability to produce economic benefits through the potential to be processed and recover saleable gold. The initial fair value at acquisition date was determined with reference to an estimate of the stockpiles' highest and best use and the most advantageous market from the perspective of market participants at the time of the acquisition (given the absence of a principal market for low grading stockpile reserves). The initial fair value ascribed to these stockpiles was $436 million.

## Expenses

**(c) Impairment of assets (continued)**
Subsequent to acquisition, the Group measures inventory at the lower of cost and net realisable value. Net realisable value is an entity specific value, whereas fair value is not entity specific, and these amounts may not equal.

The Group's post-merger strategy includes substantial investment in and development of the KCGM assets that improve expectations that new higher-grade material will be added to mine plans in future periods, alternate ore sources will become available over time and alternate regional processing strategies may be pursued that increase uncertainty surrounding whether and/or when mineralised waste may be processed. Accordingly, the Group considered it appropriate to write this inventory down to nil at 30 June 2021.

This assessment involves judgement, including, but not limited to: expectations surrounding whether and/or when these stockpiles will be processed; the gold price environment in the future, which in turn may impact the economics of processing low grade material; the identification of new resources and conversion of resources to reserves and the development of KCGMs and other regional mine plans over time; changes in regional processing strategies over time, including any changes in available processing capacity. Future changes in circumstances surrounding whether and/or when this mineralised waste will be processed would need to be considered for reversal of impairment at any such time.

**(d) Finance costs**

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Interest expense | **9.1** | 19.8 |
| Provisions: unwinding of discount (note 9(g)) | **10.8** | 4.2 |
| Finance charges | **6.5** | 4.4 |
| | **26.4** | 28.4 |

*Provision - unwinding of discount*
The Group records the present value of the estimated cost of legal and constructive obligations to rehabilitate operating locations and decommission assets in the period in which the obligation is incurred. The unwinding of the effect of discounting the provision is recorded as a finance charge in profit or loss.

## 7 Income tax expense

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

This note provides an analysis of the Group's income tax expense, showing what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It explains significant estimates made in relation to the Group's tax position.







## Income tax expense

**(a) Income tax expense**

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| *Current tax* | | |
| Current tax on profits for the year | **61.6** | 6.1 |
| Other | **(1.7)** | 2.0 |
| Adjustments for current tax of prior periods | **(16.2)** | 3.2 |
| **Total current tax** | **43.7** | 11.3 |
| *Deferred income tax* | | |
| Decrease/(increase) in deferred tax assets (note 9(e)) | **22.3** | (87.5) |
| Increase in deferred tax liabilities (note 9(e)) | **114.3** | 627.6 |
| **Total deferred tax expense** | **136.6** | 540.1 |
| **Income tax expense** | **180.3** | 551.4 |

**(b) Tax reconciliation**

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Profit from continuing operations before income tax expense | **610.1** | 1,583.9 |
| Tax at the Australian tax rate of 30.0% (2021 - 30.0%) | **183.0** | 475.2 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Sale of investments | **(0.2)** | 2.2 |
| Franking credit gross up | **(0.1)** | (0.1) |
| Stamp duty and transaction costs on Saracen merger | **-** | 69.5 |
| Sundry items | **6.1** | - |
| Adjustment for current tax of prior periods | **(16.2)** | 3.2 |
| Non-deductible amounts | **6.6** | 2.3 |
| Subtotal | **179.2** | 552.3 |
| Difference in overseas tax rates | **1.1** | (0.9) |
| Income tax expense | **180.3** | 551.4 |

The tax rate for Australian Operations remains at 30%. The blended tax rate for Alaskan operations is 35.43%. The Alaskan operations are subject to the following taxes: Federal (21%) and State Income Taxes (9.4%), Alaska Mining Licence Tax (7%) and Alaska Production Royalty Tax (3%). The blended rate for Alaskan operations is not the sum of the aforementioned rates due to the inter-relationship of deductibility of these taxes in determining taxable income upon which the tax rates are levied.

## Income tax expense

**(c) Amounts recognised directly in equity**

| | Notes | 30 June 2022 $'000 | 30 June 2021 $'000 |
|---|---|---|---|
| Aggregate current and deferred tax arising in the reporting year and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity: | | | |
| Deferred tax: financial assets at fair value through OCI | 9(e) | **(0.1)** | 0.1 |
| Deferred tax: cost of share issue | | **-** | 1.4 |
| Deferred tax: share based payments | 9(e) | **0.2** | 1.0 |
| | | **0.1** | 2.5 |

## 8 Financial assets and financial liabilities

This note provides information about the Group's financial instruments, including:

- an overview of all financial instruments held by the Group
- specific information about each type of financial instrument
- accounting policies
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.



The Group holds the following financial instruments:

| | Notes | Assets at FVOCI $M | Assets at FVPL $M | Financial assets at amortised cost $M | Total $M |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| **2022** | | | | | |
| Cash and cash equivalents | 8(b) | **-** | **-** | **571.1** | **571.1** |
| Trade and other receivables* | 8(a) | **-** | **-** | **88.4** | **88.4** |
| Derivative financial instruments | | **-** | **169.3** | **-** | **169.3** |
| Financial assets at fair value through other comprehensive income | 8(c) | **15.0** | **-** | **-** | **15.0** |
| | | **15.0** | **169.3** | **659.5** | **843.8** |
| 2021 | | | | | |
| Cash and cash equivalents | 8(b) | - | - | 771.9 | 771.9 |
| Trade and other receivables* | 8(a) | - | - | 42.1 | 42.1 |
| Derivative financial instruments | | - | 0.5 | - | 0.5 |
| Financial assets at fair value through other comprehensive income | 8(c) | 23.2 | - | - | 23.2 |
| | | 23.2 | 0.5 | 814.0 | 837.7 |

* Excluding prepayments and goods and services tax recoverable.





## Financial assets and financial liabilities

| | Notes | Liabilities at amortised cost $M | Total $M |
|---|---|---|---|
| **Financial liabilities** | | | |
| **2022** | | | |
| Trade and other payables** | 8(d) | **330.7** | **330.7** |
| Borrowings | 8(e) | **368.2** | **368.2** |
| Lease Liabilities | | **143.4** | **143.4** |
| | | **842.3** | **842.3** |

| | Notes | Liabilities at amortised cost $M | Total $M |
|---|---|---|---|
| 2021 | | | |
| Trade and other payables** | 8(d) | 289.0 | 289.0 |
| Borrowings | 8(e) | 747.2 | 747.2 |
| Lease Liabilities | | 141.9 | 141.9 |
| | | 1,178.1 | 1,178.1 |

** Excluding payroll tax and other statutory liabilities.

The Group's exposure to various risks associated with the financial instruments is discussed in note 11. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

**(a) Trade and other receivables**

*Accounting policy*
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.



| | 30 June 2022 Current $M | 30 June 2022 Non-current $M | 30 June 2022 Total $M | 30 June 2021 Current $M | 30 June 2021 Non-current $M | 30 June 2021 Total $M |
|---|---|---|---|---|---|---|
| Trade receivables | **58.2** | **-** | **58.2** | 25.3 | - | 25.3 |
| Sundry debtors | **25.3** | **4.9** | **30.2** | 16.8 | - | 16.8 |
| Goods and services tax recoverable | **27.4** | **-** | **27.4** | 25.3 | - | 25.3 |
| Prepayments | **44.1** | **-** | **44.1** | 54.6 | 0.9 | 55.5 |
| | **155.0** | **4.9** | **159.9** | 122.0 | 0.9 | 122.9 |

*(i) Classification as trade and other receivables*

If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

*(ii) Fair value of trade and other receivables*

As the majority of receivables are short term in nature, their carrying amount is assumed to be the same as their fair value.

**(b) Cash and cash equivalents**

*Accounting policy*
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Financial assets and financial liabilities

**(b) Cash and cash equivalents (continued)**

| | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|
| Cash at bank and in hand | **571.1** | 771.9 |

*(i) Reconciliation to the statement of cash flows*

Reconciliation of profit after tax to net cash flow from operating activities:

| | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|
| Profit for the year | **429.8** | 1,032.5 |
| Adjustment for | | |
| Depreciation and amortisation | **1,110.5** | 660.0 |
| Fair value adjustment to financial assets | **(0.8)** | 16.0 |
| Non-cash employee benefits expense - share-based payments | **11.5** | 13.0 |
| Rehabilitation provision - unwinding of discount | **10.8** | 4.2 |
| Net (gain)/ loss on sale of non-current assets | **(297.4)** | 2.9 |
| Impairment of assets during the period | **52.4** | 545.6 |
| Unwind of hedgebook contract liability | **(4.5)** | (59.9) |
| Share of losses of associates and joint ventures | **-** | 1.5 |
| Amortisation of upfront debt transaction costs | **1.1** | 5.2 |
| Net exchange differences | **(3.9)** | - |
| Loss on extinguishment of KCGM contract | **19.4** | - |
| Other non-cash | **1.6** | - |
| Gain on remeasurement of existing interest in KCGM | **-** | (1,919.3) |
| Change in operating assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | **(29.5)** | 37.4 |
| Decrease in inventories | **50.8** | 126.8 |
| Increase in trade and other payables | **38.4** | 201.9 |
| Increase/(decrease) in income taxes payable | **81.6** | (95.4) |
| Increase in deferred tax liabilities | **133.7** | 544.7 |
| Decrease in provisions | **(6.3)** | (40.3) |
| Net cash inflow from operating activities | **1,599.2** | 1,076.8 |

**(c) Financial Assets**

*Accounting policy*

Financial assets are carried at fair value.

| | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|
| **Financial Assets** | | |
| Listed securities | **15.0** | 22.3 |
| Convertible Debenture | **169.3** | - |
| Other | **0.7** | 1.5 |
| | **185.0** | 23.8 |







## Financial assets and financial liabilities

**(c) Financial Assets (continued)**

*(i) Convertible Debentures*

On 30 November 2021, the Group entered into a convertible debenture with Osisko Mining Inc. (OSK) with a face value of C$154 million (A$168.9 million) and a final maturity date of 1 December 2025. The debenture accrues interest half-yearly at a rate of 4.75% per annum.

The debenture also carries conversion rights. The Debenture may be converted by the Group at any time after the first anniversary at a conversion price equal to C$4.00 per share of OSK. In addition, the Debenture may also be redeemed by OSK at any time after the second anniversary for cash or shares in OSK (provided that the volume weighted average trading price of the Common Shares are not less than 125% of the Conversion Price for the twenty consecutive trading days ending five days prior to the notice of redemption).

The instrument is required to be carried at fair value through profit and loss in accordance with AASB 9 *Financial Instruments*. As at 30 June 2022 the instrument was remeasured to a fair value of $169.3 million (2021: $0).

**(d) Trade and other payables**

*Accounting policy*

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

| | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|
| Trade payables | **45.5** | 37.8 |
| Accruals | **231.5** | 192.5 |
| Payroll tax and other statutory liabilities | **8.8** | 7.5 |
| Other payables | **53.7** | 58.7 |
| | **339.5** | 296.5 |

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**(e) Borrowings**

*Accounting policy*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date or there is an expectation the Group will repay amounts within the following 12 months. As at 30 June 2022, the entirety of the $97.5 million (net of capitalised borrowing costs) drawn on the revolving credit facility is classified within non-current bank loans as it is not expected that this amount will be repaid within 12 months ($100 million contractually repayable in June 2024).

| | | **30 June 2022** | | | 30 June 2021 | | |
|---|---|---|---|---|---|---|---|
| | Notes | **Current $M** | **Non-current $M** | **Total $M** | Current $M | Non-current $M | Total $M |
| Bank loans | 8(e)(i) | **-** | **97.5** | **97.5** | 0.3 | 658.0 | 658.3 |
| Secured asset financing | | **70.3** | **200.4** | **270.7** | 36.1 | 51.8 | 87.9 |
| Total secured borrowings | 8(e)(i) | **70.3** | **297.9** | **368.2** | 36.4 | 709.8 | 746.2 |

## Financial assets and financial liabilities

**(e) Borrowings (continued)**

**Liabilities from financing activities reconciliation**

**30 June 2021**

| | Borrowings $M | Secured Asset Financing $M | Total $M |
|---|---|---|---|
| Opening liabilities from financing activities | 697.3 | 65.1 | **762.4** |
| Cash flows | (39.0) | (36.0) | **(75.0)** |
| New secured asset financing | - | 75.4 | **75.4** |
| Non-current assets/liabilities held for sale | - | (16.6) | **(16.6)** |
| Liabilities from financing activities at 30 June 2021 | **658.3** | **87.9** | **746.2** |

**30 June 2022**

| | Borrowings $M | Secured Asset Financing $M | Total $M |
|---|---|---|---|
| Opening liabilities from financing activities | 658.3 | 87.9 | **746.2** |
| Cash flows | (561.5) | (55.4) | **(616.9)** |
| New secured asset financing | - | 228.5 | **228.5** |
| Unwind of capitalised borrowing costs | 0.7 | - | **0.7** |
| Foreign exchange effect on balance | - | 9.7 | **9.7** |
| Liabilities from financing activities at 30 June 2022 | **97.5** | **270.7** | **368.2** |

*(i) Secured asset financing*

Secured asset financing amounts are interest-bearing borrowings secured over Group owned plant and equipment. The borrowings term are three to five years. The interest rates are either fixed or variable and payable from the inception of the borrowings.
These liabilities are secured by assets classified as property, plant and equipment with a written down value of $258.3 million.

*(ii) Fair value*

For the majority of the borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. Refer above for differences as at year end.

*(iii) Financing arrangements*

As at the end of the report period, the Group had:

- Revolving credit facility limit of $1 billion which is drawn to $100 million ($97.5 million net of capitalised finance costs) at 30 June 2022;
- $50 million contingent instrument facilities, drawn down by $32.3 million; and
- US$77 million contingent instrument facilities, drawn down by US$73.2 million.

As at the end of the prior report period, the Group had:

- Revolving credit facility limit of $1 billion which was drawn down to $662 million ($658 million net of capitalised finance costs) at 30 June 2021;
- $20 million contingent instrument facilities, drawn down by $8.8 million; and
- US$77 million contingent instrument facilities, drawn down by US$73.1 million.

## 9 Non-financial assets and liabilities

This note provides information about the Group's non-financial assets and liabilities, including:

- specific information about each type of non-financial asset and non-financial liability
  - property, plant and equipment
  - exploration and evaluation assets







## Non-financial assets and liabilities

  - mine properties assets
  - tax balances
  - inventories
  - provisions
- accounting policies
- information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

**(a) Property, plant and equipment**

*Accounting policy*
Property, plant and equipment is carried at historical cost less accumulated depreciation and impairment losses. Refer to note 25 for further information on accounting policies associated with impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

| | Land & buildings $M | Plant & equipment $M | Motor Vehicles $M | Office equipment $M | Capital work in progress $M | Total $M |
|---|---|---|---|---|---|---|
| **At 30 June 2021** | | | | | | |
| Cost or fair value | 130.8 | 1,589.0 | 24.0 | 24.1 | 136.2 | 1,904.1 |
| Accumulated depreciation | (23.1) | (318.1) | (9.8) | (8.2) | - | (359.2) |
| Net book amount | 107.7 | 1,270.9 | 14.2 | 15.9 | 136.2 | 1,544.9 |
| **Year ended 30 June 2021** | | | | | | |
| Opening net book value | 53.7 | 666.6 | 8.0 | 6.5 | 54.6 | 789.4 |
| Additions | - | 1.8 | - | - | 264.6 | 266.4 |
| Acquisition of subsidiary | 47.9 | 465.7 | 4.9 | 8.0 | 106.1 | 632.6 |
| Exchange differences | (2.7) | (25.4) | (0.2) | (0.3) | (2.6) | (31.2) |
| Disposals | - | (7.0) | (0.4) | (0.1) | - | (7.5) |
| Transfers | 11.8 | 263.4 | 6.2 | 3.8 | (285.2) | - |
| Gain on revaluation of existing interest in KCGM (note 13) | 7.7 | 86.9 | 1.0 | 1.6 | 1.5 | 98.7 |
| Assets included in a disposal group classified as held for sale and other disposals | (1.0) | (24.7) | (1.2) | (0.3) | (2.8) | (30.0) |
| Depreciation charge | (9.2) | (149.3) | (4.1) | (3.2) | - | (165.8) |
| Impairment loss | (0.5) | (7.1) | - | (0.1) | - | (7.7) |
| Closing net book amount | 107.7 | 1,270.9 | 14.2 | 15.9 | 136.2 | 1,544.9 |

## Non-financial assets and liabilities

### (a) Property, plant and equipment (continued)

| | Land & buildings $M | Plant & equipment $M | Motor Vehicles $M | Office equipment $M | Capital work in progress $M | Total $M |
|---|---|---|---|---|---|---|
| **At 30 June 2022** | | | | | | |
| Cost or fair value | 173.6 | 2,094.0 | 34.2 | 28.6 | 422.8 | 2,753.2 |
| Accumulated depreciation | (57.0) | (607.1) | (20.0) | (16.5) | - | (700.6) |
| Net book amount | **116.6** | **1,486.9** | **14.2** | **12.1** | **422.8** | **2,052.6** |
| **Year ended 30 June 2022** | | | | | | |
| Opening net book value | 107.7 | 1,270.9 | 14.2 | 15.8 | 136.3 | 1,544.9 |
| Additions | - | - | - | - | 682.2 | 682.2 |
| Acquired as part of asset acquisition | 1.1 | 41.9 | - | 0.1 | - | 43.1 |
| Exchange differences | 2.8 | 27.5 | 0.3 | 0.3 | 2.4 | 33.3 |
| Disposals | | (6.0) | (0.3) | (0.4) | - | (6.7) |
| Transfers | 21.1 | 368.9 | 6.1 | 2.0 | (398.1) | - |
| Depreciation charge | (16.1) | (205.9) | (6.1) | (5.5) | - | (233.6) |
| Disposal per sale of business | - | (10.3) | - | (0.2) | - | (10.5) |
| Closing net book amount | **116.6** | **1,486.9** | **14.2** | **12.1** | **422.8** | **2,052.6** |

### (b) Leases

Accounting policy

AASB 16 *Leases* eliminates the distinction between operating and finance leases and brings all leases (other than short term and low value leases) on to the balance sheet. As a lessee, the Group recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

An assessment is made, at inception or when contract terms are changed, to determine whether the contract is, or contains, a lease. A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable

• variable lease payment that are based on an index or a rate

• amounts expected to be payable by the lessee under residual value guarantees

• the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and

• payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.







## Non-financial assets and liabilities

### (b) Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

• The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies AASB 136 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (as outlined in the financial report for the annual reporting period).

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, AASB 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

***Amounts recognised in the Consolidated Statement of Financial Position***

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

| | 30 June 2022 | 30 June 2021 |
|---|---|---|
| **Right-of-use assets** | **$M** | **$M** |
| Opening balance | 138.5 | 44.9 |
| Acquired as part of business combination (note 13) | - | 103.9 |
| Gain on revaluation of existing interest in KCGM (note 13) | - | 1.2 |
| Additions to right-of-use assets | 64.4 | 29.0 |
| Depreciation | (65.1) | (40.5) |
| **Closing balance** | **137.8** | **138.5** |
| **Lease liabilities** | **$M** | **$M** |
| Current | 50.3 | 50.1 |
| Non-current | 93.0 | 91.8 |
| **Closing balance** | **143.3** | **141.9** |

## Non-financial assets and liabilities

**(b) Leases (continued)**

| **Future lease payments in relation to lease liabilities as at period end are as follows:** | **$M** | **$M** |
|---|---|---|
| Less than 6 months | 28.2 | 28.5 |
| 6 -12 months | 22.6 | 24.4 |
| Between 1 and 2 years | 45.3 | 53.1 |
| Between 2 and 5 years | 50.7 | 37.1 |
| Over 5 years | 2.9 | 52.2 |
| | **149.8** | **148.2** |

**(c) Exploration and evaluation assets**

*Accounting policy*

Exploration and evaluation assets include the costs of acquiring licences, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditure is capitalised on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either, the expenditures are expected to be recouped through successful development and exploitation of the area of interest or activities in the area of interest have not at the reporting date; reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Once a development decision has been made, all past exploration and evaluation expenditure in respect of an area of interest that has been capitalised is transferred to mine properties where it is amortised over the life of the area of interest to which it relates on a unit-of-production basis. No amortisation is charged during the exploration and evaluation phase.

The application of the above accounting policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available, which may require adjustments to the carrying value of assets. Capitalised exploration and evaluation expenditure is assessed for impairment when an indicator of impairment exists, and capitalised assets are written off where required.

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Opening balance at 1 July | **609.3** | 479.0 |
| Expenditure for the period | **120.5** | 146.4 |
| Acquired as part of asset acquisition (i) | **15.0** | 18.0 |
| Acquired as part of business combination (note 13) | **-** | 208.6 |
| Gain on remeasurement of existing interest in KCGM (note 13) | **-** | 72.0 |
| Assets included in a disposal group classified as held for sale (note 15) | **-** | (28.1) |
| Transfer to mine properties | **(44.4)** | (182.2) |
| Impairment (ii) | **(52.4)** | (101.3) |
| Exchange differences | **5.5** | (3.1) |
| **Closing balance** | **653.5** | 609.3 |

*(i) Asset acquisition*

During the period, the Company paid $15 million to Tanami Gold NL for an additional 10% joint venture interest. Following the payment, a 50/50 joint venture covering the Central Tanami Project in the Northern Territory was completed.

During the prior year, the Company completed the acquisition of the Kurnalpi Project from KalNorth Gold Mines Limited.







## Non-financial assets and liabilities

**(c) Exploration and evaluation assets (continued)**

*(ii) Impairment*

At each reporting date the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the year the Group identified indicators of impairment on certain exploration and evaluation assets under *AASB 6 Exploration for and Evaluation of Mineral Resources*. As a result of this review, an impairment loss of $52.4 million (2021: $101.3 million) has been recognised in the statement of profit or loss and other comprehensive income in relation to areas of interest where no future exploration and evaluation activities are expected.

**(d) Mine properties**

*Accounting policy*

Mine properties includes aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral interests.

Expenditure incurred in constructing a mine by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable reserves and resources have been identified. This expenditure includes direct costs of construction, drilling costs and removal of overburden to gain access to the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

Mine development represents expenditure in respect of exploration and evaluation, overburden removal based on underlying mining activities and related mining data and construction costs and development incurred by or on behalf of the Group previously accumulated and carried forward in relation to properties in which mining has now commenced. Such expenditure comprises direct costs and an appropriate allocation of directly related overhead expenditure.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured. When further development expenditure is incurred in respect of a mine property after commencement of commercial production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

Mine development costs (as transferred from exploration and evaluation and/or mines under construction) are amortised on a units-of-production basis over the life of mine to which they relate. In applying the units of production method, amortisation is calculated using the expected total contained ounces as determined by the life of mine plan specific to that mine property. For development expenditure undertaken during production, the amortisation rate is based on the ratio of total development expenditure (incurred and anticipated) over the expected total contained ounces as estimated by the relevant life of mine plan to achieve a consistent amortisation rate per ounce. The rate per ounce is typically updated annually as the life of mine plans are revised.

Mineral interests comprise identifiable exploration and evaluation assets, mineral resources and ore reserves, which are acquired as part of a business combination or joint venture acquisition and are recognised at fair value at the date of acquisition. Where possible, mineral interests are attributable to specific areas of interest and are classified within mine properties.

*Production stripping expenditure*

Stripping (waste removal) costs are incurred both during the development phase and production phase of operations. Stripping costs incurred during the development phase are capitalised as mines under construction. Stripping costs incurred during the production phase are generally considered to create two benefits:

- the production of ore inventory in the period - accounted for as a part of the cost of producing those ore inventories; or
- improved access to the ore to be mined in the future - recognised under producing mines if the following criteria are met:

  • Future economic benefits (being improved access to the ore body) associated with the stripping activity are probable;
  • The component of the ore body for which access has been improved can be accurately identified; and
  • The costs associated with the stripping activity associated with that component can be reliably measured.

## Non-financial assets and liabilities

**(d) Mine properties (continued)**

*Production stripping expenditure (continued)*

The amount of stripping costs deferred is based on the life of component ratio which is obtained by dividing the amount of waste tonnes mined by the quantity of ore tonnes for each component of the mine. Stripping costs incurred in the period are deferred to the extent that the actual current period waste to ore ratio exceeds the life of component expected 'life of component' ratio. A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is determined based on mine plans. An identified component of the ore body is typically a subset of the total ore body of the mine. Each mine may have several components, which are identified based on the mine plan. The deferred stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the ore within an identified component, plus an allocation of directly attributable overhead costs. The deferred stripping asset is depreciated over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a units of production basis.

Expected total contained ounces as determined by the life of mine plan are used to determine the expected useful life of the identified component of the ore body.

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Opening balance at 1 July | **6,684.1** | 1,018.5 |
| Expenditure for the period | **500.9** | 348.8 |
| Changes in rehabilitation provision estimates | **(125.0)** | 71.4 |
| Transfer from exploration and evaluation | **44.4** | 182.2 |
| Acquired as part of business combination | **-** | 4,091.4 |
| Fair value uplift on remeasurement of interest in KCGM | **-** | 1,552.7 |
| Assets included in a disposal group classified as held for sale | **-** | (121.0) |
| Amortisation | **(805.8)** | (445.1) |
| Exchange differences | **21.2** | (14.8) |
| **Closing balance** | **6,319.8** | 6,684.1 |



*Impairment*

At each reporting date, the Group assesses whether there is any indication that an asset, or group of assets is impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any) which is the amount by which the assets carrying value exceeds its recoverable amount. Where the asset does not generate cash in-flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount is the higher of 'fair value less costs of disposal' (FVLCOD) and 'value in use'.

Where an impairment loss subsequently reverses for assets other than goodwill, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Impairment testing requires assets to be grouped together into the smallest group that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. Depending on the location of the mine and processing strategy, as well as other external factors, the CGU may include more than one operating mine with a processing facility.

There were no indications that an asset or CGU required impairment testing at 30 June 2022.





## Non-financial assets and liabilities

**(e) Tax balances**

***(i) Current tax asset/(liability)***

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Opening balance at 1 July | **155.8** | (12.0) |
| Acquired balances | **-** | 29.8 |
| Tax paid/ (refund) | **(86.4)** | 140.9 |
| Current tax | **(61.6)** | (6.1) |
| Adjustment for current tax on prior periods | **16.2** | 3.2 |
| **Closing balance** | **24.0** | 155.8 |

*(ii) Deferred tax assets*

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| **The balance comprises temporary differences attributable to:** | | |
| Acquired tax losses | **19.7** | 20.6 |
| Employee benefits | **21.9** | 26.0 |
| Provisions | **176.2** | 175.6 |
| Accruals | **0.6** | 5.8 |
| Financial assets at fair value through OCI | **1.3** | 1.3 |
| Mine properties | **9.1** | 1.5 |
| Inventories | **64.6** | 56.1 |
| | **293.4** | 286.9 |
| Other | **(13.5)** | 8.3 |
| Share based payments | **(0.8)** | 4.3 |
| Sub-total other | **(14.3)** | 12.6 |
| Total deferred tax assets | **279.1** | 299.5 |
| Set-off of deferred tax liabilities pursuant to set-off provisions | **(279.1)** | (299.5) |
| Net deferred tax assets | **-** | - |

| **Movements** | **Employee benefits $M** | **Provisions $M** | **Inventories $M** | **Mine Properties $M** | **Other $M** | **Total $M** |
|---|---|---|---|---|---|---|
| **At 1 July 2020** | 14.2 | 98.6 | (13.0) | - | 43.5 | 143.3 |
| (Charged)/credited | | | | | | |
| - to profit or loss | 4.9 | 33.9 | 69.1 | 1.5 | (21.9) | 87.5 |
| - to other comprehensive income | - | - | - | - | (1.9) | (1.9) |
| - acquisition of subsidiary | 6.9 | 48.3 | - | - | 15.4 | 70.6 |
| **At 30 June 2021** | 26.0 | 180.8 | 56.1 | 1.5 | 35.1 | 299.5 |

## Non-financial assets and liabilities

**(e) Tax balances (continued)**

*(ii) Deferred tax assets (continued)*

| | | | | | | |
|---|---|---|---|---|---|---|
| Movements | | | | | | |
| (Charged)/credited | | | | | | |
| - to profit or loss | (4.1) | (4.9) | 8.5 | 7.6 | (29.4) | (22.3) |
| - adjustments to prior year | - | - | - | - | 1.6 | 1.6 |
| - directly to equity | - | 0.3 | - | - | - | 0.3 |
| **At 30 June 2022** | 21.9 | 176.2 | 64.6 | 9.1 | 7.3 | 279.1 |

*(iii) Deferred tax liabilities*

| | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|
| **The balance comprises temporary differences attributable to:** | | |
| Property, plant and equipment | **243.5** | 137.1 |
| Exploration and evaluation | **172.7** | 87.4 |
| Mine properties | **952.0** | 995.1 |
| Investments at fair value | **1.4** | 0.1 |
| Other | **3.7** | 5.1 |
| | **1,373.3** | 1,224.8 |
| Set-off of deferred tax assets pursuant to set-off provisions | **(279.1)** | (299.5) |
| Net deferred tax liabilities | **1,094.2** | 925.3 |

*Offsetting within tax consolidated group*

Northern Star Resources Limited and its wholly-owned Australian subsidiaries, including those entities acquired as part of the merger with Saracen Mineral Holdings during the year, have applied Australia's tax consolidation legislation which means that the Australian entities are taxed as a single entity. Also, Northern Star Resources Limited's US entities are regarded as a single taxpayer in the US for income tax purposes. For accounting purposes, deferred tax assets and deferred tax liabilities, relating to the same taxation authorities, have been offset in the consolidated financial statements.

| Movements | Exploration and evaluation $M | Mine properties $M | Property, plant and equipment $M | Other $M | Total $M |
|---|---|---|---|---|---|
| **At 1 July 2020** | 69.5 | 157.1 | 49.5 | - | 276.2 |
| Charged/(credited) | | | | | |
| - profit or loss | (6.7) | 541.9 | 87.7 | 4.7 | 627.6 |
| - to other comprehensive income | - | - | - | 0.5 | 0.5 |
| - acquisition of subsidiary | 24.6 | 296.0 | - | - | 320.6 |
| **At 30 June 2021** | 87.4 | 995.0 | 137.2 | 5.2 | 1,224.8 |
| Charged/(credited) | | | | | |
| - profit or loss | 85.1 | (42.6) | 98.4 | (26.6) | 114.3 |
| - adjustment to prior year | - | 0.2 | 3.2 | - | 3.4 |
| - to other comprehensive income | 0.2 | (0.6) | 4.6 | 0.1 | 4.3 |
| - acquisition of subsidiary | - | - | 0.2 | 26.3 | 26.5 |
| **At 30 June 2022** | 172.7 | 952.1 | 243.5 | 5.1 | 1,373.3 |







## Non-financial assets and liabilities

**(e) Tax balances (continued)**

*(iii) Deferred tax liabilities (continued)*

*Recovery of deferred taxes*

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets, including those arising from unutilised tax losses (where applicable), require management to assess the likelihood that the Group will comply with the relevant tax legislation and will generate sufficient taxable earnings in future years in order to recognise and utilise those deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as exchange rates, commodity prices and operating performance over the life of the assets. To the extent that cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the deferred tax assets reported at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future years.

**(f) Inventories**

Accounting policy

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct purchase costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods.

Materials and supplies are valued at the lower of cost and net realisable value. Any allowance for obsolescence is determined by reference to specific stock items identified. A regular and on-going review is undertaken to establish the extent of surplus items and an allowance is made for any potential loss on their disposal.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Ore stockpiles which are not expected to be processed in the 12 months after the reporting date are classified as non-current inventory. Where there is a reasonable expectation that the processing of these stockpiles will have a future economic benefit to the Group, these stockpiles are carried at the lower of cost and net realisable value. The non-current ore stockpiles represent the stockpiles that are not expected to be processed in the next 12 months. If there is significant uncertainty as to if and/or when the stockpiled ore will be processed by the Group, the ore is expensed as mined, or otherwise, where such indications arise.

The determination of the current and non-current portion of ore stockpiles includes the use of estimates and judgements about when ore stockpile draw downs for processing will occur. These estimates and judgements are based on current forecasts and mine plans and expected developments, taking in to account operating history.

The initial measurement of the stockpile inventory acquired as part of the KCGM transaction (refer note 13) involved the use of significant estimates and judgements. The key assumptions employed in measuring this inventory included: forecast gold prices, processing costs, grade and thus contained metal, processing recoveries and timing of processing. The initial fair values allocated to ore stockpiles are subsequently considered their deemed cost, and any future adverse change in the significant estimates and judgements could result in a net realisable value below deemed cost.

| | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|
| **Current assets** | | |
| Consumable stores | **116.4** | 82.3 |
| Ore stockpiles | **432.3** | 378.1 |
| Gold in circuit | **129.1** | 123.5 |
| Finished goods - dore | **1.4** | - |
| | **679.2** | 583.9 |
| **Non-current assets** | | |
| Ore stockpiles | **264.3** | 404.3 |

## Non-financial assets and liabilities

**(f) Inventories (continued)**

*(i) Amounts recognised in profit or loss*

Write-downs of ore stockpiles to net realisable value amounted to nil (2021: $436.6 million). The prior year amount was recognised as an expense during the year ended 30 June 2021 and included in 'impairment of assets' in profit or loss. Refer to note 6(c) for further detail surrounding the impairment of non-current inventory.

**(g) Provisions**

*Accounting policy*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the requirements of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology.

Rehabilitation costs are recognised in full at present value as a non-current liability. An equivalent amount is capitalised as part of the cost of the asset when an obligation arises to decommission or restore a site to a certain condition after abandonment as a result of bringing the assets to its present location. The capitalised cost is amortised over the life of the project and the provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as a finance cost.

Any changes in the estimates for the costs or other assumptions against the cost of relevant assets are accounted for on a prospective basis. In determining the costs of site restoration there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.



| | **30 June 2022** | | | 30 June 2021 | | |
|---|---|---|---|---|---|---|
| | **Current $M** | **Non-current $M** | **Total $M** | Current $M | Non-current $M | Total $M |
| Employee entitlements | **84.4** | **3.2** | **87.6** | 82.5 | 3.0 | 85.5 |
| Rehabilitation | **-** | **651.5** | **651.5** | 3.0 | 776.1 | 779.1 |
| Other* | **231.8** | **-** | **231.8** | 231.0 | - | 231.0 |
| | **316.2** | **654.7** | **970.9** | 316.5 | 779.1 | 1,095.6 |

*Other provisions includes estimates of stamp duty payable on the completion of past transactions. The stamp duty provision at 30 June 2022 is $231.1 million (2021: $225.3 million) and includes estimates of stamp duty for the interests in KCGM and other previous acquisitions.

*(i) Information about individual provisions and significant estimates*

*Rehabilitation provision*

The Group assesses its mine rehabilitation provision annually. Significant judgement is required in determining the provision for mine rehabilitation and closure as there are many factors that will affect the ultimate liability payable to rehabilitate the mine sites, including future disturbances caused by further development, changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plans and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which the change becomes known.



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## Non-financial assets and liabilities

**(g) Provisions (continued)**

*(i) Information about individual provisions and significant estimates (continued)*

*Rehabilitation provision (continued)*

*Long service leave*

The liability for long service leave and other long-term benefits is measured at the present value of the estimated future cash outflows to be made by the Group for those employees with greater than 5 years' service up to the reporting date. Long-term benefits not expected to be settled within 12 months are discounted using the rates attaching to high quality corporate bonds at the reporting date, which most closely match the terms of maturity of the related liability. In determining the liability for these long-term employee benefits, consideration has been given to expected future increases in wage and salary rates, the Group's experience with staff departures and periods of service. Related on-costs are also included in the liability.

*(ii) Movements in provisions*

Movements in each class of provision during the financial year, other than employee entitlements, are set out below:

| **2022** | **Rehabilitation $M** | **Other* $M** |
|---|---|---|
| Carrying amount at start of year | 779.1 | 231.0 |
| Changes in provisions recognised | (125.0) | 6.1 |
| Amounts used | (0.9) | (5.3) |
| - liabilities disposed through sale of business | (21.9) | - |
| Unwinding of discount | 10.8 | - |
| Exchange differences | 9.4 | - |
| Carrying amount at end of year | 651.5 | 231.8 |

| **2021** | **Rehabilitation $M** | **Other* $M** |
|---|---|---|
| Carrying amount at start of year | 448.5 | 50.2 |
| Changes in provisions recognised | 87.3 | 227.6 |
| - liabilities attributable to assets held for sale | (26.8) | (0.2) |
| Amounts used | - | (46.6) |
| - liabilities disposed through sale of business | 278.9 | - |
| Unwinding of discount | 4.2 | - |
| Fair value loss on remeasurement of existing interest in KCGM | (4.0) | - |
| Exchange differences | (9.0) | - |
| Carrying amount at end of year | 779.1 | 231.0 |



## 10 Equity

*Accounting policy*

Ordinary shares are classified as equity. They entitle the holder to participate in dividends and have no par value.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(a) Share capital**

| | **30 June 2022 Shares** | 30 June 2021 Shares | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|---|---|
| Ordinary shares | | | | |
| Fully paid | **1,165,126,222** | 1,163,686,519 | **6,435.0** | 6,435.1 |
| **Total share capital** | **1,165,126,222** | 1,163,686,519 | **6,435.0** | 6,435.1 |

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## Equity

**(a) Share capital (continued)**

*(i) Movements in ordinary shares:*

| Details | Number of shares | Total $M |
|---|---|---|
| Opening balance 1 July 2020 | 740,151,041 | 1,323.9 |
| Employee Share Plan issues | 244,000 | 2.4 |
| Equity issue net of transaction costs and tax | 422,480,346 | 5,104.6 |
| Issue of shares on vesting of options/performance rights (i) | 811,132 | 4.2 |
| Balance 30 June 2021 | 1,163,686,519 | 6,435.1 |
| Issue of shares on vesting of options/performance rights (i) | 565,581 | 9.3 |
| Dividend reinvestment plan net of transaction costs | 874,122 | 8.8 |
| | 1,165,126,222 | 6,453.2 |
| Closing treasury shares (ii) | (1,998,823) | 18.2 |
| **Balance 30 June 2022** | **1,163,127,399** | **6,435.0** |

(i) During the year, 279,528 FY19 Performance Rights granted in July 2018 and 286,053 FY21 STI Performance Rights granted in October and November 2020 vested after their respective performance periods. These had been awarded to Directors, Key Management Personnel and other senior employees. As a result, 565,581 fully paid ordinary shares were issued on vesting of the rights.

(ii) During FY22 the Company acquired 2,976,943 treasury shares, of which 1,998,823 remain and will be held in the Group's Employee Share Trust. Treasury shares represent shares purchased and held by the Group's Employee Share Trustee in anticipation of future vesting and exercise of Performance Rights. During the period, 230,676 treasury shares were used in the employee share plan.





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## Risk

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

## 11 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Board has the overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Management Committee is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

**(a) Market risk**

*(i) Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant entity. The carrying value of financial instruments that are held in a currency other than the entities functional currency are as follows (expressed in Australian dollars):

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| **Financial Assets - USD** | | |
| Cash and cash equivalents | **96.2** | 25.6 |
| Derivative financial instruments | **-** | 0.4 |
| Trade receivables | **17.3** | 16.6 |
| | **113.5** | 42.6 |

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| **Financial Liabilities - USD** | | |
| Borrowings - Secured Asset Financing | **149.9** | - |

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| **Financial Assets - CAD** | | |
| Cash and cash equivalents | **5.0** | - |

The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar-denominated financial instruments. A 10 percent increase in the AUD/USD exchange rate would decrease post tax profit by $2.5 million while a 10 percent decrease in the AUD/USD exchange rate would increase post tax profit by $3 million.

**Foreign currency forwards**

## Financial risk management

**(a) Market risk (continued)**

*(i) Foreign exchange risk (continued)*

The Group uses foreign currency forwards to hedge its exposure to foreign currency risk. The group has determined the fair value of the foreign currency forwards by calculating the present value of future cash flows based on observable forward exchange rates at the balance sheet date. As the forward contracts are used to hedge forecast transactions, the group designates the full change in fair value of the forward contract as the hedging instrument and recognises the gains or losses relating to the effective portion of the change in fair value of the entire forward contract in the cash flow hedge reserve within equity.

*(ii) Cash flow and fair value interest rate risk*

The Group is exposed to interest rate risk through its longer term borrowings comprising a $500 million facility maturing 30 June 2024 and $500 million facility maturing 30 June 2025. At 30 June 2022, the Group has drawn down $100 million from these facilities. The Group is exposed to the risk of future changes in market interest rates.

Holding all other variables constant, the impact on post tax profit of a 1 percent increase/ decrease in the rate of interest on the borrowings of the Group would be a decrease/increase of $2 million.

The Group is also exposed to interest rate risk through its borrowings related to the purchases of plant and equipment under secured asset financing arrangements with floating rates of interest over their term. At 30 June 2022, the value of secured asset finance borrowings with a floating rate of interest is $70.9 million.

Holding all other variables constant, the impact on post tax profit of a 1 percent increase/ decrease in the rate of interest on these secured asset finance borrowings of the Group is $0.7 million.

Borrowings related to the purchases of plant and equipment under secured asset financing arrangements which have fixed interest rates over their term are not subject to interest rate risk as defined in AASB 7 *Disclosures*. The value of secured asset finance borrowings with a fixed rate of interest is $199.8 million.

*(iii) Price risk*

*Exposure*

The Group is exposed to the risk of fluctuations in the prevailing market prices for the gold and silver currently produced from its operating mines.

The Group manages a component of this risk through the use of gold forward contracts and options. These contracts are accounted for as sale contracts with revenue recognised once gold has been physically delivered into the contract. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 9 *Financial Instruments*. The Group's contractual sales commitments are disclosed in note 18.

The Group is also exposed to equity securities price risk arising from investments held by the Group and classified in the statement of financial position as financial assets at fair value through OCI and investments accounted for using the equity method.

All of the Group's equity investments are publicly traded on the Australian Securities Exchange.

**(b) Credit risk**

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents and credit exposures to gold sales counterparties and financial counterparties.

*(i) Risk management*

The Group has adopted the policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Cash is deposited only with institutions approved by the Board, typically with a current minimum credit rating of A (or equivalent) as determined by a reputable credit rating agency e.g. Standard & Poor's. Permitted instruments by which the Group hedges gold price risk are entered into with financial counterparties with a minimum credit of A (or equivalent). The Group has established limits on aggregate funds on term deposit or invested in money markets to be placed with a single financial counterparty and monitors credit and counterparty risk using credit default swaps. The Group sells the majority of its unhedged gold and silver to counterparties with settlement terms of no more than 2 days. The counterparties have investment grade credit ratings and the exposures, as noted, are short dated. The Group does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.







## Financial risk management

**(b) Credit risk (continued)**

*(ii) Credit quality*

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| **Trade receivables** | | |
| *Counterparties with external credit rating* | | |
| AA | **57.2** | 17.4 |
| *Counterparties without external credit rating ** | | |
| Other | **1.0** | 7.9 |
| **Total trade receivables** | **58.2** | 25.3 |
| | | |
| **Cash at bank and short-term bank deposits** | | |
| AA | **538.5** | 763.0 |
| A | **32.6** | 8.9 |
| | **571.1** | 771.9 |

* Other - counterparties with no defaults in the past

*(iii) Impaired trade receivables*

In determining the recoverability of trade and other receivables, the Group performs a risk analysis considering the type and age of the outstanding receivable and the creditworthiness of the counterparty. If appropriate, an impairment loss will be recognised in profit or loss. The Group does not have any impaired Trade and other receivables as at 30 June 2022 (2021: nil). No allowance for expected credit losses has been recognised as the duration of associated exposures is short and/or the probability of default is negligible.

**(c) Liquidity risk**

The Group manages liquidity risk by monitoring immediate and forecasted cash requirements and ensures adequate cash reserves are maintained to pay debts as and when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period, the Group held a short term on-demand cash balance of $571.1 million (2021: $771.9 million) that was available for managing liquidity risk.

Management monitors rolling forecasts of the Group's available cash reserves on the basis of expected cash flows. The Group's liquidity management policy seeks a target to maintain available cash (comprising cash on hand, deposits at call, bullion awaiting settlement and available undrawn debt) of approximately three months of total recurring operational and corporate expenditure.

*(i) Financing arrangements*

The Group had access to the following undrawn borrowing facilities at the end of the reporting year:

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| **Floating rate** | | |
| - Expiring beyond one year (financing facility) | **900.0** | 338.0 |

The revolving credit facilities may be drawn at any time until maturity (June 2024 :$500 million, $100 million drawn and June 2025: $500 million, undrawn).

Refer to note 8(e) for full details of financing facilities available to the Group.

## Financial risk management

**(c) Liquidity risk (continued)**

*(ii) Maturities of financial liabilities*

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual maturities of financial liabilities<br>At 30 June 2022 | Less than 6 months $M | 6 - 12 months $M | Between 1 and 2 years $M | Between 2 and 5 years $M | Over 5 years $M | Total contractual cash flows $M | Carrying amount liabilities $M |
|---|---|---|---|---|---|---|---|
| Trade and other payables | **339.5** | **-** | **-** | **-** | **-** | **339.5** | **339.5** |
| Lease liabilities | **28.2** | **22.6** | **45.3** | **50.7** | **2.9** | **149.8** | **143.3** |
| Secured asset financing | **41.5** | **35.8** | **59.5** | **149.3** | **-** | **286.1** | **270.7** |
| Borrowings | **1.3** | **1.3** | **101.9** | **-** | **-** | **104.5** | **97.5** |
| **Total non-derivatives** | **410.5** | **59.7** | **206.7** | **200.0** | **2.9** | **879.9** | **851.0** |
| At 30 June 2021 | | | | | | | |
| Trade and other payables | 296.5 | - | - | - | - | 296.5 | 296.5 |
| Lease liabilities | 28.5 | 24.4 | 53.1 | 37.1 | 5.2 | 148.2 | 141.9 |
| Secured asset financing | 20.3 | 17.0 | 36.8 | 14.7 | 1.4 | 90.3 | 87.9 |
| Borrowings | 5.8 | 5.7 | 11.5 | 673.7 | - | 696.7 | 658.3 |
| **Total non-derivatives** | 351.1 | 47.1 | 101.4 | 725.5 | 6.6 | 1,231.7 | 1,184.6 |

The weighted average interest rate on secured asset financing was 2.37% (2021: 1.95%).

## 12 Capital management

**(a) Risk management**

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital and maximise returns to Shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders or issue new shares.

Total capital is equity, as shown in the statement of financial position. The Group is not subject to any externally imposed capital requirements.

**(b) Dividends**

*(i) Ordinary shares*







## Capital management

**(b) Dividends (continued)**

*(i) Ordinary shares (continued)*

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Final ordinary divided for FY21 of 9.5 cents (FY20: 9.5 cents) per fully paid share paid on 29 September 2021 (FY20: 30 September 2020) | **110.7** | 70.4 |
| Interim ordinary dividend for FY22 of 10 cents (FY21: 9.5 cents) per fully paid ordinary share paid on 29 March 2022 (FY21: 30 March 2021) | **116.4** | 110.5 |
| Special dividend of 10 cents per fully paid share paid on 30 September 2020 | **-** | 74.1 |
| Interim ordinary dividend for FY20 of 7.5 cents per fully paid ordinary share, which was postponed in March 2020 when the company withdrew its FY20 guidance, and was paid on 16 July 2020 | **-** | 55.5 |
| | **227.1** | 310.5 |
| | **227.1** | 310.5 |

*(ii) Dividends not recognised at the end of the reporting period*

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 11.5 cents per fully paid ordinary share (2021 - 9.5 cents) as at 30 June 2022, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 29 September 2022 out of retained earnings at 30 June 2022, but not recognised as a liability at year end, is | **134.0** | 110.5 |

*(iii) Franking credits*

At 30 June 2022 the value of franking credits available (at 30%) was $135.1 million (2021: $321.9 million).

# Group structure

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about:

- changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation
- interests in joint operations
- interests in associates.

A list of significant subsidiaries is provided in note 16.

## 13 Business combination

*Accounting policy*
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the: fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group; fair value of any asset or liability resulting from a contingent consideration arrangement; and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The application of acquisition accounting requires significant judgement and estimates to be made, which are discussed below. The Group engages independent third parties to assist with the determination of the fair value of assets acquired, liabilities assumed, non-controlling interest, if any, and goodwill, based on recognised business valuation methodologies.

The income valuation method represents the present value of future cash flows over the life of the asset using:

• financial forecasts, which rely on management's estimates of reserve quantities and exploration potential, costs to produce and develop reserves, revenues, and operating expenses;
• long-term growth rates;
• appropriate discount rates; and
• expected future capital requirements.



The market valuation method uses prices paid for a similar asset by other purchasers in the market, normalised for any differences between the assets.

The cost valuation method is based on the replacement cost of a comparable asset at the time of the acquisition adjusted for depreciation and economic and functional obsolescence of the asset and estimates of residual values.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the acquisition date fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If the initial accounting for the business combination is not complete by the end of the reporting period in which the acquisition occurs, an estimate will be recorded. Subsequent to the acquisition date, but not later than one year from the acquisition date, the Group will record any material adjustments to the initial estimate based on new information obtained that would have existed as of the date of the acquisition.





**(a) Power Business Acquisition**

On 23 November 2021, NST announced that it has agreed to acquire Newmont Corporations' Kalgoorlie power business from Newmont Corporation's Australian subsidiary, Newmont Australia, for US$95M. As part of NST's purchase of 50 per cent of KCGM Pty Ltd on 3 January 2020, NST paid US$25M for an option to buy Newmont Corporation's Kalgoorlie power business.

The 110MW Parkeston Power Station and associated infrastructure primarily provides electricity security to KCGM. Parkeston also supplies electricity to the Kalgoorlie area through its connection to the South-West Interconnected System. The plant has a history of continuous reliable generation.

The transaction was completed on 1 December 2021. The cost of the US$25M option was deducted from the final purchase price, with US$70M paid at completion.

| **Purchase consideration** | **$M** |
|---|---|
| Original option fee paid (US$25m) | 36.4 |
| Expense Transitional Service Fee (US$2.5M) | (3.6) |
| Cash Paid on Settlement (US$70M) | 98.0 |
| **Total purchase consideration** | **130.7** |
| | |
| **Net identifiable assets acquired** | |
| Trade and other receivables | 13.9 |
| Property, plant and equipment | 43.1 |
| Intangible assets | 87.5 |
| Trade and other payables | (7.2) |
| Deferred tax liability | (26.5) |
| **Net identifiable assets acquired** | **110.8** |
| | |
| Less: loss on extinguishment of KCGM contract* | (19.4) |
| **Net assets acquired** | **130.2** |

* As required by Accounting Standards, a $19.4 million loss was recorded on settlement of a pre-existing power purchase agreement between the acquired business and KCGM.

We note that fair values assigned to identifiable assets, liabilities and associated tax balances above are presented on a provisional basis. The Group may recognise an adjustment to these provisional values as a result of completing fair value accounting within 12 months following acquisition date.



As outlined in the Group's Business Combination accounting policy above, the identification of assets and liabilities and associated fair value measurement as part of acquisition accounting is subject to significant judgement and estimation.

The following key estimates and judgements were required as part of the acquisition accounting for the power business:

Property, plant and equipment - the valuation of these assets involved use of, amongst other factors, publicly available historical capital unit costs, industry benchmarks, producer price index factors, current replacement/reproduction costs, useful life assumptions, residual values and site inspections to determine current asset conditions and utilisation.

Intangible assets - the valuation of these assets involved use of, amongst other factors, grid reliability assumptions and various costs assumptions including of backup power station costs, energy cost, network charges, capex costs, balancing costs, demand charges, transmission costs, instillation costs and discount factors.

Deferred tax liability - the recognition of deferred tax liabilities is directly associated with the determination of both initial accounting values and the determination and allocation of tax bases on entry into the Group's tax consolidated group. The balance reflects the non-deductibility for tax purposes of the intangible assets.

*Revenue and profit contribution*
The power business does not generate revenue, given its purpose to provide electricity security to KCGM.

*Acquisition related costs*
Acquisition related costs of $2.8 million are included in acquisition and integration expense in profit or loss.

## Business combination

**(b) Prior year acquisition - Saracen Mineral Holdings Limited**

*(i) Summary of the acquisition*

On 12 February 2021, the Company implemented the scheme of arrangement (Scheme) in relation to the merger of the Company and Saracen Mineral Holdings Limited (Saracen).

In accordance with the Scheme, all Saracen shares have been transferred to Northern Star, and eligible Saracen shareholders were issued the Scheme consideration of 0.3763 Northern Star shares for each Saracen share held on the Scheme record date. Consequently, 422,480,346 Northern Star shares were issued on that date.

In addition to recognising the effects of acquiring Saracen's assets and liabilities, the transaction also results in the Company obtaining control over Kalgoorlie Consolidated Gold Mines Pty Ltd (KCGM) in which it previously held a 50 percent joint operating interest.

Details of the purchase consideration and the net identifiable assets acquired are as follows:

| **Purchase consideration** | **$M** |
|---|---|
| Ordinary shares issued* | 5,107.2 |
| **Net purchase consideration** | **5,107.2** |

* 422,480,346 ordinary shares were issued as consideration with a deemed fair value based on the 1-day volume weighted average share price on Implementation Date of $12.09 per share.

The assets and liabilities recognised as a result of the acquisition are as follows:

| | **Fair Value $M** |
|---|---|
| Cash and cash equivalents | **402.5** |
| Trade and other receivables | **12.6** |
| Income tax receivable | **29.8** |
| Inventories - finished product | **5.5** |
| Inventories - gold in circuit | **58.0** |
| Inventories - ore stockpiles | **230.4** |
| Inventories - supplies (net of provision) | **34.9** |
| Inventories - ore stockpiles (non-current) | **442.4** |
| Property, plant and equipment | **632.6** |
| Mine properties | **4,091.4** |
| Deferred exploration | **208.6** |
| Right of use assets | **103.9** |
| Investments | **0.7** |
| Trade and other payables | **(128.7)** |
| Employee Provisions | **(22.5)** |
| Hedgebook contract liability | **(57.0)** |
| Lease liabilities | **(26.3)** |
| Borrowings | **(77.0)** |
| Employee provisions (non-current) | **(1.6)** |
| Derivative liability (non-current) | **(8.0)** |
| Lease liabilities (non-current) | **(89.8)** |
| Borrowings (non-current) | **(206.0)** |
| Deferred tax liability | **(250.3)** |
| Provision for rehabilitation | **(278.9)** |
| **Net identifiable assets acquired** | **5,107.2** |

As outlined in the Group's Business Combination accounting policy above, the identification of assets and liabilities and associated fair value measurement as part of acquisition accounting is subject to significant judgement and estimation.

The following key estimates and judgements were required as part of the acquisition accounting for Saracen:







## Business combination

**(b) Prior year acquisition - Saracen Mineral Holdings Limited**

Inventory - refer to note 9(f) for estimates and judgements involved in determining acquired inventory values.

Property, plant and equipment - expert plant valuers were engaged to assist in determining the fair values for property, plant and equipment. The valuation of these assets involved use of, among other factors, published market data, current replacement/reproduction costs, residual values, inflation factors, useful life assumptions and site inspections to determine current wear and tear.

Mine Properties - in a mining transaction the residual amount of purchase consideration after all the other assets and liabilities have been identified and re-measured to reflect acquisition date fair value is typically allocated to mine properties (excluding site rehabilitation). After this allocation, further analysis in the form of discounted cash flows and market implied resource multiples are used to ensure the fair value ascribed to mine properties is fair and reasonable. Discounted cash flow analysis requires estimation of the future amount and timing of cash flows.

Estimates and judgement are required in selecting the inputs for such analysis including: total ore tonnes, grade, metal recoveries, gold prices, exchange rates, future mining, processing costs and capital costs and discount rates.

Analysis and cross checks to market data using implied resource multiples also requires the use of judgement when selecting comparative companies and transactions with which to perform comparisons.

Hedgebook contract liability - Assessment of the gold sales contracts relative to market rates is required at the date of acquisition. Where gold sales contracts are below market rates on a net basis (i.e. unfavourable), a contract liability is recognised based on the difference in the contracted gold sales price relative to the gold price for a forward contract with the same maturity date as at the date of acquisition.

Provision for rehabilitation - refer to note 9(g) for estimates and judgements involved in determining provisions for rehabilitation.

Deferred tax - the recognition of deferred tax liabilities is directly associated with the determination of both initial accounting values and the determination and allocation of tax bases on entry into the Group's tax consolidated group. In Saracen's case, value attributed to the underlying tenement value is non-tax deductible due to those tenements held by the acquired entities being subject to the capital gains tax rules rather than the tax depreciation rules enacted in 2001.

*(ii) Acquired receivables*

The fair value of acquired trade receivables is $12.6 million. The gross contractual amount for trade receivables due is $12.6 million, of which none is expected to be uncollectible.

*(iii) Revenue and profit contribution*

The acquired business contributed revenues of $531.6 million and net profit of $6.1 million to the group for the period 12 February 2021 to 30 June 2021. This excludes the impact of the remeasurement of the Company's initial 50 percent interest in KCGM.

If the acquisition had occurred on 1 July 2020, consolidated pro-forma revenue and net profit for the year ended 30 June 2021 would have been $1,275.9 million and $14.6 million respectively, based on an extrapolation of actual results since acquisition.

**Purchase consideration - cash inflow**

| **Inflow of cash on acquisition of subsidiary** | **$M** |
|---|---|
| Cash balances acquired | 402.5 |
| **Net inflow of cash - Investing activities** | **402.5** |

*Acquisition-related costs*

Acquisition related costs of $231.1 million are included in acquisition and integration in profit or loss.

*Remeasuring of the equity interest in the acquiree held by the acquirer before the business combination*

The acquistion of Saracen Mineral Holdings Limited resulted in the Company obtaining control over KCGM, in which it previously held a 50 percent joint operating interest. As a result, there is a requirement to remeasure the Company's pre-existing 50 percent interest in KCGM to fair value. This has resulted in a pre-tax gain of $1.92 billion recognised in the statement of profit or loss and other comprehensive income.

The assets and liabilities relating to the remeasurement of the Company's pre-existing 50 percent interest in KCGM to fair value are as follows:

## Business combination

**(b) Prior year acquisition - Saracen Mineral Holdings Limited**

*Remeasuring of the equity interest in the acquiree held by the acquirer before the business combination (continued)*

| **Current Assets** | **$M** |
|---|---|
| Inventories - gold in circuit | 17.3 |
| Inventories - ore stockpiles | 75.6 |
| Inventories - supplies (net of provision) | (3.1) |
| **Non-current assets** | |
| Inventories - ore stockpiles | 101.8 |
| Property, plant & equipment | 98.7 |
| Mine properties | 1,552.7 |
| Deferred exploration | 72.0 |
| Right of use assets | 1.2 |
| **Current liabilities** | |
| Lease liabilities | (0.6) |
| **Non-current liabilities** | |
| Lease liabilities | (0.3) |
| Rehabilitation provision | 4.0 |
| **Gain on remeasurement (pre-tax)** | **1,919.3** |
| Deferred tax liability | (575.8) |
| **Gain on remeasurement (post-tax)** | **1,343.5** |

## 14 Sale of business

(a) Kundana Assets

On 22 July 2021, the Group announced that it had entered a binding agreement to sell the Kundana Assets to Evolution Mining Ltd. The associated assets and liabilities were consequently presents as held for sale in the year ended June 21 financial statements.

The sale was completed on 18 August 2021.

| **Sale Consideration** | **$M** |
|---|---|
| Cash | 401.9 |
| Carrying amount of net assets disposed of | (160.0) |
| | 241.9 |

| | **Fair value $M** |
|---|---|
| Cash and cash equivalents | **2.0** |
| Trade and other receivables | **4.0** |
| Inventories | **13.0** |
| Property, plant and equipment | **39.0** |
| Exploration and evaluation assets | **44.0** |
| Mine Properties | **110.0** |
| Trade and other payables | **(12.0)** |
| Provisions - other | **(34.0)** |
| Provision for rehabilitation | **(6.0)** |
| | **160.0** |

**(b) Paulsens and Western Tanami**

On 13 April 2022, the Company announced it had entered into a binding agreement to sell the Paulsens Gold Operations and Western Tanami Gold Project to Black Cat Syndicate ("BCS").

The transaction completed on 15 June 2022.







## Sale of business

| | **$M** |
|---|---|
| **Sale consideration** | |
| Cash | **14.5** |
| Issue of shares | **2.9** |
| Cash receivable | **15.0** |
| Contingent consideration | **5.0** |
| Carrying amount of net liabilities disposed of | **18.7** |
| | **56.1** |

| | **Fair Value $M** |
|---|---|
| Trade and other receivables | 0.4 |
| Inventories | 0.1 |
| Property, plant and equipment | 0.7 |
| Exploration and evaluation assets | 2.2 |
| Trade and other payables | (0.2) |
| Provision for rehabilitation | (21.9) |
| | (18.7) |

## 15 Assets classified as held for sale

**(a) Description**

*Prior Year assets classified as held for sale*

During Q4 of FY21, the Company began marketing the sale of it's Kundana Operations, its 51% interest in each of the East Kundana Production Joint Venture and the East Kundana Exploration Joint Venture, its 75% interest in the West Kundana Farmin Joint Venture, and the Carbine / Carnage gold project ('Kundana Assets"). As at 30 June 2021 the assets were available for immediate sale and the sale was considered highly probable within a 12 month period. The associated assets and liabilities were consequently presented as held for sale.

Subsequently, on 22 July 2021 the Group announced that it has entered into a binding Share and Asset Sale Agreement with Evolution Mining Ltd (ASX: EVN) for the Kundana Assets for a purchase price of $402 million cash.

The transaction completed on 18 August 2021. Refer to note 14 for further details.

The disposal group contributed $7.5 million (2021: $281.8 million) of revenue and $11.5 million of losses (2021: $39.9 million profit after tax) during FY22. Gold sales for the year relating to the disposal group were 3,170 oz (2021: 122,495oz).

**(b) Assets and liabilities of disposal group classified as held for sale**

The following assets and liabilities were reclassified as held for sale in relation to the sale of the Kundana Assets as at 30 June 2021:

| | **30 June 2022 $M** |
|---|---|
| Assets classified as held for sale | |
| Cash and cash equivalents | **3.2** |
| Trade and other receivables | **5.9** |
| Inventories | **16.1** |
| Property, plant and equipment | **30.0** |
| Exploration and evaluation assets | **28.1** |
| Mine properties | **121.0** |
| Total assets of disposal group held for sale | **204.3** |

## Assets classified as held for sale

**(b) Assets and liabilities of disposal group classified as held for sale (continued)**

| | |
|---|---|
| Liabilities directly associated with assets classified as held for sale | |
| Trade and other payables | **(14.0)** |
| Provisions | **(33.3)** |
| Borrowings | **(18.0)** |
| Total liabilities of disposal group held for sale | **(65.3)** |
| Net assets held for sale | **139.0** |

## 16 Interests in other entities

**(a) Material subsidiaries**

The Group's principal subsidiaries at 30 June 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of entity | Country of incorporation | Ownership interest held by the Group 2022 % | 2021 % |
|---|---|---|---|
| Northern Star Mining Services Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Kanowna) Pty Ltd | Australia | **100.0** | 100.0 |
| Kundana Gold Pty Ltd | Australia | **-** | 100.0 |
| Gilt-Edged Mining Pty Ltd | Australia | **-** | 100.0 |
| EKJV Management Pty Ltd | Australia | **-** | 100.0 |
| Kanowna Mines Pty Ltd | Australia | **-** | 100.0 |
| GKL Properties Pty Ltd | Australia | **-** | 100.0 |
| Northern Star (Tanami) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Western Tanami) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (South Kalgoorlie) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (HBJ) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Hampton Gold Mining Areas) Limited | England & Wales | **100.0** | 100.0 |
| Northern Star (Holdings) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Alaska) Incorporated | United States of America | **100.0** | 100.0 |
| Northern Star (Alaska) LLC | United States of America | **100.0** | 100.0 |
| Northern Star (Pogo) LLC | United States of America | **100.0** | 100.0 |
| Northern Star (Pogo Two) LLC | United States of America | **100.0** | 100.0 |
| Stone Boy Inc. | United States of America | **100.0** | 100.0 |
| Northern Star (KLV) Pty Ltd | Australia | **100.0** | 100.0 |
| Kalgoorlie Consolidated Gold Mines Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Bronzewing) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Yandal Consolidated) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Echo Mining) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (MKO) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Saracen Kalgoorlie) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Carosue Dam) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Thunderbox) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Saracen) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Saracen Goldfields) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Bundarra) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (SR Mining) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Sinclair) Pty Ltd | Australia | **100.0** | 100.0 |
| Northern Star (Talisman) Pty Ltd | Australia | **100.0** | 100.0 |





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## Interests in other entities

**(a) Material subsidiaries (continued)**

| Name of entity | Country of incorporation | Ownership interest held by the Group 2022 % | 2021 % |
|---|---|---|---|
| Northern Star (GMK) Pty Ltd | Australia | **100.0** | - |
| Northern Star (Power) Pty Ltd | Australia | **100.0** | - |
| Goldfields Power Pty Ltd | Australia | **50.0** | - |
| CTP JV Pty Ltd | Australia | **50.0** | - |
| Northern Star (Holdings 2) Pty Ltd | Australia | **100.0** | - |
| Northern Star (NPK) Pty Ltd | Australia | **100.0** | - |
| 1335088 B.C. Ltd | Canada | **100.0** | - |

For information regarding entities party to a deed of cross guarantee refer to note 24.

**(b) Joint arrangements**

| | Principal Activities | Ownership interest held 2022 % | 2021 % |
|---|---|---|---|
| FMG JV | Exploration | **68.3** | 67.7 |
| East Kundana Production JV | Exploration & Production | **-** | 51.0 |
| Kanowna West JV | Exploration | **97.7** | 92.4 |
| Kalbara JV | Exploration | **71.6** | 71.4 |
| West Kundana JV | Exploration | **-** | 75.5 |
| Zebina JV | Exploration | **80.0** | 80.0 |
| Acra JV | Exploration | **75.0** | 75.0 |
| Robertson JV | Exploration | **40.0** | 40.0 |
| Cheroona JV | Exploration | **30.0** | 30.0 |
| Sorrento JV | Exploration | **70.0** | 70.0 |
| Jundee JV | Exploration | **70.0** | 70.0 |
| Phantom Well JV | Exploration | **87.0** | 87.0 |
| Nexus JV | Exploration | **10.0** | 10.0 |
| AngloGold JV | Exploration | **30.0** | 30.0 |
| Central Tanami JV | Exploration | **50.0** | 40.0 |

The joint arrangements listed above are classified as joint operations and are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint venture assets. The joint operations are accounted for in accordance with the Group's accounting policy set out in note 25.

## Further details

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the consolidated financial statements.

### 17 Contingent liabilities

**(a) Contingent liabilities**

The Group had no contingent liabilities at 30 June 2022.

### 18 Commitments

**(a) Capital commitments**

Significant capital expenditure contracted for at the end of the reporting year but not recognised as liabilities is as follows:

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| Property, plant and equipment | **178.5** | 266.5 |

30 June 2022 capital commitments includes $86.6 million (2021: $153.6 million) in relation to mining fleet updates across the group.

**(b) Gold delivery commitments**

Australian dollar gold delivery commitments as at 30 June 2022 were as follows:

| | **Gold for physical delivery (Ounces)** | **Weighted average contracted sales price (A$/oz)** | **Value of committed sales (A$M)** |
|---|---|---|---|
| Within one year | 439,000 | 2,411 | 1,058.2 |
| Later than one year but not later than five years | 699,999 | 2,640 | 1,847.7 |

There were no US dollar gold delivery commitments as at 30 June 2022.

### 19 Events occurring after the reporting period

Subsequent to the period ended 30 June 2022 the Company announced:

- a final fully franked dividend of 11.5 cents per share to Shareholders on the record date of 7 September 2022, payable on 29 September 2022
- the Board has unanimously approved an on-market share buy-back for up to A$300 million to be completed over the next 12 months. The buy-back is subject to prevailing share price and market conditions and will be executed at the Company's discretion. The buy-back aligns with the Company's disciplined capital allocation priorities, which include returning cash to shareholders, investing in organic profitable growth and maintaining a strong balance sheet. The share buyback will not affect the company's dividend policy to pay out between 20% and 30% of cash earnings.

### 20 Related party transactions

**(a) Subsidiaries**

Interests in subsidiaries are set out in note 16(a).

**(b) Key management personnel compensation**







## Related party transactions

**(b) Key management personnel compensation (continued)**

| | **30 June 2022 $000** | 30 June 2021 $000 |
|---|---|---|
| Short-term employee benefits | **6,388.9** | 6,911.2 |
| Employee entitlements | **443.6** | 116.9 |
| Post-employment benefits | **219.2** | 242.4 |
| Share-based payments | **4,347.4** | 7,114.3 |
| | **11,399.1** | 14,384.8 |

**(c) Transactions with other related parties**

*(i) Purchases from entities controlled by key management personnel*

Nil.

### 21 Share-based payments

**(a) Employee Share Plan**

Under the Employee Share Plan, eligible employees may be granted up to $1,000 of fully paid ordinary shares in the Company annually for no cash consideration. The number of shares issued to participants in the scheme is the offer amount divided by the weighted average price at which the Company's shares are traded on the ASX during the week up to and including the date of grant. The fair value of shares issued during the year was $7.96 (2021: $9.90) per share.

| | **2022** | 2021 |
|---|---|---|
| Number of shares issued under the plan to participating employees on 24 June 2022 (2021: 17 June) | **230,676** | 244,000 |

**(b) Performance Share Plan**

No performance shares were issued in the year ended 30 June 2022 (2021: Nil).

Total performance shares on issue at 30 June 2022 is Nil (2021: 1,091,001), with a corresponding total non-recourse loan value of $Nil (2021: $801,295).

**(c) Performance Rights, NED Share Rights and Restricted Shares**

*Performance rights*

A performance right is a conditional right which, upon the satisfaction or waiver of the relevant vesting conditions, and, if required by the Company the exercise of that right, entitles its holder to receive one share.

During the year, the Company issued 3,878,634 long term incentive (LTI) rights and 726,225 short term incentive (STI) rights to senior management, including key management personnel. The rights were issued under the FY20 share plan as approved at the Company's annual general meeting on 18 November 2021. During the year, 270,029 FY2022 LTI rights and 23,338 FY2022 STI rights were forfeited. The number of performance rights outstanding as at 30 June 2022 in relation to the FY2022 grant is 4,311,492.

During the prior year, the Company issued 1,155,477 LTI rights (733,779 remain on issue at 30 June 2022) and 489,671 STI rights (nil on issue at 30 June 2022) to senior management, including key management personnel. The rights were issued under the FY20 share plan as refreshed at the Company's annual general meeting on 25 November 2020. Since grant date, 421,698 FY2021 LTI rights and 14,801 FY2021 STI rights were forfeited, while 286,053 FY2021 STI rights vested and 188,817 FY2021 STI rights lapsed.

*NED Share Rights*

## Share-based payments

**(c) Performance Rights, NED Share Rights and Restricted Shares**

A NED share right is a conditional right to a fully paid ordinary share, where vesting is measured on 30 June in each financial year of issue, based on the length of time the NED was on the Board, with pro-rata reduction where the Director ceases to be a director before the end of the relevant financial year.

During the year, the Company issued 14,328 NED share rights to Non-executive Directors. The NED share rights were issued under the FY20 NED share plan as approved at the Company's annual general meeting on 14 November 2019. The number of NED share rights outstanding as at 30 June 2022 in relation to the FY2022 grant is 14,328.

During the prior year, the Company issued 18,560 NED share rights to Non-executive Directors. The rights were issued under the FY20 NED share plan as approved at the Company's annual general meeting on 14 November 2019. During the prior year, 1,403 NED share rights were forfeited. The remaining 17,517 NED share rights relating to the FY 2021 grant have vested.

For each of the above grants, the weighted average assessed fair value at grant date is as follows:

| | Weighted average fair value at grant date | |
|---|---|---|
| | **FY2022 grant** | **FY2021 grant** |
| LTI Performance Rights | $6.80 | $11.15 |
| STI Performance Rights | $9.54 | $14.26 |
| NED Share Rights | $9.28 | $14.74 |

The fair value of LTI performance rights at grant date is independently determined using a Monte Carlo simulation model (market based vesting conditions) and a Black Scholes Model (non market vesting conditions) that takes into account the term of the performance rights, the impact of dilution (where material), the share price at grant date and expected volatility of the underlying share, the expected dividend yield, the risk-free rate for the term of the performance right and the correlations and volatilities of the peer group companies.

The model inputs for LTI performance rights granted during the current and prior year included:



| **FY22 LTI-1 Rights** | **KPI (1), (3)** | **KPI (2)** | **KPI (4), (6)** | **KPI (5)** |
|---|---|---|---|---|
| (a) Exercise price | Nil | Nil | Nil | Nil |
| (b) Grant date | 18/11/2021 | 18/11/2021 | 13/10/2021 | 13/10/2021 |
| (c) Commencement of performance period | 01/07/2021 | 01/07/2021 | 01/07/2021 | 01/07/2021 |
| (d) Expiry date | 30/06/2025 | 30/06/2025 | 30/06/2025 | 30/06/2025 |
| (e) Share price at grant date | $10.49 | $10.49 | $9.37 | $9.37 |
| (f) Expected volatility of the company's shares | 50% | 50% | 50% | 50% |
| (g) Expected volatility of the index | n/a | 35% | n/a | 35% |
| (h) Expected dividend yield | 1.3% | 1.3% | 1.3% | 1.3% |
| (i) Risk-free interest rate | 0.97% | 0.97% | 0.48% | 0.48% |
| **FY22 LTI-2 Rights** | **KPI (1), (3)** | **KPI (2)** | **KPI (4), (6)** | **KPI (5)** |
| (a) Exercise price | Nil | Nil | Nil | Nil |
| (b) Grant date | 18/11/2021 | 18/11/2021 | 13/10/2021 | 13/10/2021 |
| (c) Commencement of performance period | 01/07/2021 | 01/07/2021 | 01/07/2021 | 01/07/2021 |
| (d) Expiry date | 30/06/2024 | 30/06/2024 | 30/06/2024 | 30/06/2024 |
| (e) Share price at grant date | $10.49 | $10.49 | $9.37 | $9.37 |
| (f) Expected volatility of the shares | 50% | 50% | 50% | 50% |
| (g) Expected volatility of the index | n/a | 35% | n/a | 35% |
| (h) Expected dividend yield | 1.3% | 1.3% | 1.3% | 1.3% |
| (i) Risk free interest rate | 0.97% | 0.97% | 0.48% | 0.48% |

| **FY21 LTI Rights - Grant 1** | **Tranche A, C** | **Tranche B** | **Tranche D, F** | **Tranche E** |
|---|---|---|---|---|
| (a) Exercise price | Nil | Nil | Nil | Nil |
| (b) Grant date | 25/11/2020 | 25/11/2020 | 30/10/2020 | 30/10/2020 |
| (c) Commencement of performance period | 1/07/2020 | 1/07/2020 | 1/07/2020 | 1/07/2020 |
| (d) Expiry date | 30/06/2023 | 30/06/2023 | 30/06/2023 | 30/06/2023 |
| (e) Share price at grant date | $12.52 | $12.52 | $14.85 | $14.85 |
| (f) Expected volatility of the company's shares | 50% | 50% | 50% | 50% |
| (g) Expected volatility of the index | n/a | 35% | n/a | 35% |
| (h) Expected dividend yield | 1.30% | 1.30% | 1.30% | 1.30% |
| (i) Risk-free interest rate | 0.13% | 0.13% | 0.13% | 0.13% |





## Share-based payments

**(c) Performance Rights, NED Share Rights and Restricted Shares**

| **FY21 LTI Rights - Grant 2** | **Tranche A, C** | **Tranche B** | **Tranche D, F** | **Tranche E** |
|---|---|---|---|---|
| (a) Exercise price | Nil | Nil | Nil | Nil |
| (b) Grant date | 2/02/2021 | 2/02/2021 | 12/02/2021 | 12/02/2021 |
| (c) Commencement of performance period | 12/02/2021 | 12/02/2021 | 12/02/2021 | 12/02/2021 |
| (d) Expiry date | 30/06/2023 | 30/06/2023 | 30/06/2023 | 30/06/2023 |
| (e) Share price at grant date | $13.06 | $13.06 | $12.06 | $12.06 |
| (f) Expected volatility of the company's shares | 50% | 50% | 50% | 50% |
| (g) Expected volatility of the index | n/a | 35% | n/a | 35% |
| (h) Expected dividend yield | 1.30% | 1.30% | 1.30% | 1.30% |
| (i) Risk-free interest rate | 0.11% | 0.11% | 0.11% | 0.11% |

The fair value of STI performance rights, NED share rights and Restricted Shares at grant date is determined by reference to the share price on grant date.

The valuation inputs for STI performance rights, NED share rights and Restricted Shares granted during the current and prior year included:

| | **FY22 STI Rights** | | **FY22 NED Share Rights** |
|---|---|---|---|
| | **Tranche A** | **Tranche B** | |
| (a) Exercise price | Nil | Nil | Nil |
| (b) Grant date | 18/11/2021 | 13/10/2021 | 30/07/2021 |
| (c) Commencement of performance period | 01/07/2021 | 01/07/2021 | 01/07/2021 |
| (d) Expiry date | 30/06/22 | 30/06/22 | 30/06/2022 |
| (e) Share price at grant date | $10.49 | $9.37 | $10.47 |

| | **FY21 STI Rights** | | **FY21 NED Share Rights** |
|---|---|---|---|
| | **Tranche A** | **Tranche B** | |
| (a) Exercise price | Nil | Nil | Nil |
| (b) Grant date | 25/11/2020 | 30/10/2020 | 13/07/2020 |
| (c) Commencement of performance period | 1/07/2020 | 1/07/2020 | 1/07/2020 |
| (d) Expiry date | 30/06/2021 | 30/06/2021 | 30/06/2021 |
| (e) Share price at grant date | $12.52 | $14.85 | $14.74 |

The expected volatility is based on the historic volatility over a period comparable to the remaining life of the performance rights.

Total share based payments expense for the year ended 30 June 2022 was $11.5 million (2021: $13.0 million), which included $1.8 million (2021: $2.4 million) in relation to the issue of shares under the employee share plan.

## 22 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, Northern Star Resources Limited, its related practices and non-related audit firms:

**(a) Deloitte Touche Tohmatsu**

| | **2022 $000** | 2021 $000 |
|---|---|---|
| Audit and review of financial reports | | |
| Group | **801.5** | 748.3 |
| Subsidiaries & joint arrangements | - | 23.6 |
| Total remuneration for audit and other assurance services | **801.5** | 771.9 |
| | | |
| Other statutory assurance services | **13.0** | 57.8 |

## Remuneration of auditors

| | | |
|---|---|---|
| Other services | | |
| Consulting services | **79.0** | |
| **Total services provided by Deloitte Touche Tohmatsu** | **893.5** | 829.7 |

**(a) Other auditors and their related network firms**

| | | |
|---|---|---|
| Audit and review of financial statements | **5.0** | 5.0 |
| **Total auditor's remuneration** | **898.5** | 834.7 |

It is the Group's policy to employ Deloitte Touche Tohmatsu on assignments additional to their statutory audit duties where Deloitte Touche Tohmatsu expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where Deloitte Touche Tohmatsu is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

## 23 Earnings per share

Basic earnings per share is calculated by dividing:
• the profit attributable to owners of the Company
• by the weighted average numbers of ordinary shares outstanding during the financial year, excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
• the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
• the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**(a) Basic earnings per share**

| | **30 June 2022 Cents** | 30 June 2021 Cents |
|---|---|---|
| Basic earnings per share attributable to the ordinary equity holders of the company | **37.0** | 114.7 |

**(b) Diluted earnings per share**

| | **30 June 2022 Cents** | 30 June 2021 Cents |
|---|---|---|
| Diluted earnings per share attributable to the ordinary equity holders of the company | **36.8** | 114.3 |

**(c) Reconciliation of earnings used in calculating earnings per share**

| | **30 June 2022 $M** | 30 June 2021 $M |
|---|---|---|
| *Basic earnings per share* | | |
| Profit attributable to the ordinary equity holders of the Company | **429.8** | 1,032.5 |
| *Diluted earnings per share* | | |
| Profit attributable to the ordinary equity holders of the Company | **429.8** | 1,032.5 |







## Earnings per share

**(d) Weighted average number of shares used as the denominator**

| | **2022 Number** | 2021 Number |
|---|---|---|
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share | **1,162,290,284** | 900,489,284 |
| Adjustments for calculation of diluted earnings per share: | | |
| Rights | **6,162,312** | 3,094,790 |
| Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share | **1,168,452,596** | 903,584,074 |

## 24 Deed of cross guarantee

The Australian incorporated subsidiaries detailed in note 16 are each a party to a Deed of Cross Guarantee dated 14 May 2014, as varied (Deed), and have the benefit of ASIC relief from the requirements to prepare and lodge with ASIC audited financial reports in accordance with Part 2M.3 of the Corporations Act, pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 dated 17 December 2016 (Instrument).

Under the Deed, each entity in the Group guarantees to each creditor payment in full of any debt in the event of winding up of any of the entities under certain provisions of the Corporations Act. In the event of a winding up of an entity under other provisions of the Corporations Act, the other entities in the Group will only be liable to make up any shortfall of funds if after six months any creditor has not been paid in full. The effect of the covenants given by the entities under the Deed is to make the Company Group akin to a single legal entity from a financial perspective.

Closed Group:

- Northern Star Resources Limited;
- Northern Star (Kanowna) Pty Limited;
- Northern Star (HBJ) Pty Ltd;
- Northern Star (Holdings) Pty Ltd;
- Northern Star (South Kalgoorlie) Pty Ltd;
- Northern Star Mining Services Pty Limited;
- Northern Star (KLV) Pty Limited;
- Northern Star (Saracen) Pty Ltd;
- Northern Star (Saracen Kalgoorlie) Pty Ltd;
- Northern Star (Carosue Dam) Pty Ltd; and
- Northern Star (Thunderbox) Pty Ltd;
- Kalgoorlie Consolidated Gold Mines Pty Ltd
- Northern Star (Saracen Goldfields) Pty Ltd;

Extended Closed Group:

- GKL Properties Pty Limited;
- Kanowna Mines Pty Limited;
- Northern Star (Tanami) Pty Ltd;
- Northern Star (Bronzewing) Pty Ltd;
- Northern Star (Yandal Consolidated) Pty Ltd;
- Northern Star (Echo Mining) Pty Ltd;
- Northern Star (MKO) Pty Ltd;
- Northern Star (Bundarra) Pty Ltd;
- Northern Star (SR Mining) Pty Ltd;
- Northern Star (Sinclair) Pty Ltd;
- Northern Star (Talisman) Pty Ltd; and
- Northern Star (GMK) Pty Ltd
- Northern Star (Power) Pty Ltd
- Northern Star (NPK) Pty Ltd
- Northern Star (Holdings 2) Pty Ltd

## Deed of cross guarantee

The above companies represent the 'closed group' and the 'extended closed group' for the purposes of instrument 2016/785, which represent the entities who are parties to the deed of cross guarantee and which are controlled by Northern Star Resources Limited.

With the exception of the amounts relating to Pogo's operations as disclosed at note 2, the consolidated statement of profit or loss and other comprehensive income and statement of financial position for the closed group is materially consistent with those of the consolidated entity.







## 25 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of Northern Star Resources Limited and its subsidiaries.

**(a) Basis of preparation**

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Northern Star Resources Limited is a for-profit entity for the purpose of preparing the consolidated financial statements.

*(i) Compliance with IFRS*

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group complies with international financial reporting standards (IFRS).

*(ii) Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- financial assets at fair value through other comprehensive income, financial assets and liabilities (including derivative instruments); and

*(iii) New and amended standards adopted by the group*

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

With the exception of AASB 2018-6 *Amendments to Australian Accounting Standards - Definition of a Business,* any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Refer to note for details of changes to accounting policies in the current financial year.

Any significant impact of the accounting policies of the Group from the adoption of these Accounting Standards and Interpretations are disclosed below.

*(iv) Accounting Standards issued but not yet effective*

The following changes in Accounting Standards have been issued but are not yet effective:

AASB 116 *Property, Plant and Equipment.* A change to the treatment of proceeds which are received from selling gold recovered from a mine before that mine is considered capable of operating in the manner intended by management (i.e. pre-commercial production). Under the current guidelines, in respect of pre commercial production, revenue and the associated cost of sale is excluded from profit or loss (earnings) and are included in capital (balance sheet) and offset against the costs of developing the mine.

The changes referred to above must be adopted by the Group from 1 July 2022, including the required restatement of comparatives for mines that were deemed in pre commercial production phase before 1 July 2021 (being the start of the earliest comparative period).

The changes will require sales proceeds, along with their cost of sale, to be recognised in profit or loss (earnings). The cost of sale must be determined with respect to the accounting rules for measurement of inventory. This will require the Company to allocate some of the costs during the pre-commercial production phase to operating activities (producing saleable gold), whereas under the current guidelines all such costs have been treated as capital. As required by Accounting Standards, depreciation of mine properties will continue to only commence when an asset is placed into commercial production. Consequently, cost of sales expensed on sale of gold during a pre-commercial production phase will not include depreciation charges.

The required changes outlined above are expected to increase revenues and bring forward the recognition of costs to the income statement (which may increase or decrease profit and loss depending on whether the revenues generated are greater than the costs of sale). Over the life of a mining project the net impact to profit and loss will be nil, however the proportional allocation of expenses between mining, processing and other costs and depreciation will alter due to the change in treatment outlined above.

In the FY22 period, pre commercial production areas contributed $70.9 million of revenue, and $38.9 million of cost of sales, which has been offset against the mine development asset in the current year.

## Summary of significant accounting policies

**(b) Principles of consolidation**

*(i) Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

The consolidated consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Northern Star Resources Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Northern Star Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

*(ii) Joint arrangements*

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Northern Star Resources Limited has only joint operations. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

*Joint operations*

Northern Star Resources Limited Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 15(b).

*(iii) Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Northern Star Resources Limited.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**(c) Foreign currency translation**

*(i) Functional and presentation currency*

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated consolidated financial statements are presented in Australian dollar ($), which is Northern Star Resources Limited's functional and presentation currency.

**(d) Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group







## Summary of significant accounting policies

**(d) Business combinations (continued)**

- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

**(e) Impairment of assets**

At each reporting date, the Group reviews the carrying amounts of its tangible and other intangible assets to determine whether there is any indication that those assets might be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) which is the amount by which the assets carrying value exceeds its recoverable amount. Where the asset does not generate cash in-flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell (FVLCS) and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses for assets other than goodwill, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

## Summary of significant accounting policies

**(e) Impairment of assets (continued)**

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from out planning process, including the LOM plans, five-year plans, one-year budgets and CGU-specific studies.

The determination of FVLCS for each CGU are considered to be Level 3 fair value measurements, as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

**(f) Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss. The assets classified as held for sale as at 30 June 2021, as disclosed at note 15, do not represent a separate major line of business or geographical area of operations and therefore are not deemed to be a discontinued operation.

**(g) Investments and other financial assets**

*(i) Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

*(ii) Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.







## Summary of significant accounting policies

**(g) Investments and other financial assets (continued)**

*(ii) Measurement (continued)*

*Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the year in which it arises.

*Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

*(iii) Impairment*

From 1 July 2021, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The Group applies the simplified approach permitted by AASB 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

**(i) Rounding of amounts**

The Company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## 26 Parent entity financial information

### (a) Summary financial information

The individual consolidated financial statements for the parent entity, Northern Star Resources Limited, show the following aggregate amounts:

| | 30 June 2022 $M | 30 June 2021 $M |
|---|---|---|
| *Balance sheet* | | |
| Current assets | **632.5** | 445.6 |
| Non-current assets | **7,459.6** | 7,121.2 |
| **Total assets** | **8,092.1** | 7,566.8 |
| Current liabilities | **(282.5)** | (206.4) |
| Non-current liabilities | **(927.8)** | (1,081.6) |
| **Total liabilities** | **(1,210.3)** | (1,288.0) |
| *Shareholders' equity* | | |
| Issued capital | **6,435.0** | 6,436.1 |
| Reserves | | |
| Financial assets at fair value through OCI | **13.0** | 11.2 |
| Cash flow hedges | **(0.3)** | 0.4 |
| Share-based payments | **15.2** | 15.6 |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | **-** | 0.1 |
| Retained earnings | **418.9** | (184.5) |
| **Profit for the year** | **462.2** | (144.2) |
| **Total comprehensive income** | **462.2** | (172.1) |

### (b) Guarantees entered into by the parent entity

Refer to note 24 for details of guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

### (c) Contingent liabilities of the parent entity

Refer to note 17 for details of contingent liabilities relating to the parent entity as at 30 June 2022 or 30 June 2021.

### (d) Contractual commitments for the acquisition of property, plant or equipment

Refer to note 18 for commitments of the Group for the acquisition of property, plant and equipment as at 30 June 2022 or 30 June 2021.

### (e) Determining the parent entity financial information

The financial information for the parent entity, Northern Star Resources Limited, has been prepared on the same basis as the consolidated consolidated financial statements, except as set out below.

*(i) Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of Northern Star Resources Limited.

*(ii) Tax consolidation legislation*

Northern Star Resources Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Northern Star Resources Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Northern Star Resources Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.







## Parent entity financial information

### (e) Determining the parent entity financial information (continued)

*(ii) Tax consolidation legislation (continued)*

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Northern Star Resources Limited for any current tax payable assumed and are compensated by Northern Star Resources Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Northern Star Resources Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' consolidated financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

## Directors' Declaration

NORTHERN STAR
RESOURCES LIMITED

# DIRECTORS' DECLARATION

In the Directors' opinion:

(a) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) The financial statements and notes for the year ended 30 June 2022 set out on pages 106 to 165 (**FY22 Financial Report**) comply with the *Corporations Act 2001* (Cth), the Corporations Regulations 2001, Australian Accounting Standards and international financial reporting standards, and other mandatory professional reporting requirements;

(c) The FY22 Financial Report gives a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

(d) At the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 24 will be able to meet any obligations or liabilities to which they are, or may become, subject by the virtue of the deed of cross guarantee described in Note 24.

Note 25 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Managing Director & Chief Executive Officer and the Chief Financial Officer required by section 295A of the *Corporations Act 2001* (Cth).

This declaration is made in accordance with a resolution of Directors.

**MICHAEL CHANEY AO**
**Chairman**
**Northern Star Resources Limited**
28 August 2022

ABN: 43 092 832 892
Registered Office: Level 1, 388 Hay Street, Subiaco 6008, Western Australia
PO Box 2008, Subiaco 6904, Western Australia
Tel: +61 8 6188 2100 Fax: +61 8 6188 2111 Email: info@nsrltd.com Web: www.nsrltd.com





Sunset over the Mt Charlotte Underground Operation, Cassidy Shaft Headframe at KCGM, Kalgoorlie Production Centre, Western Australia



NORTHERN STAR RESOURCES LIMITED ANNUAL REPORT 2022

## Independent Auditor's report to the members

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2, Brookfield Place
123 St Georges Terrace
Perth WA 6000
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Perth WA 6837 Australia

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# Independent Auditor's Report to the members of Northern Star Resources Limited

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Northern Star Resources Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.







INDEPENDENT AUDITOR'S REPORT

Deloitte.

| Key Audit Matter | How the scope of our audit responded to the Key Audit Matter |
|---|---|
| **Accounting for Mine Properties**<br><br>As at 30 June 2022, the carrying value of mine properties amounts to $6,319.8 million as disclosed in Note 9 (d).<br><br>Accounting for mine properties requires management to exercise significant judgement in determining the appropriate estimates to be applied in the application of the Company's accounting policy, including:<br>• the allocation of mining costs between operating and capital expenditure; and<br>• determination of the units of production used to amortise mine properties.<br><br>A key driver of the allocation of costs between operating and capital expenditure is the physical mining data associated with the mining activities.<br><br>For underground operations this includes consideration of the development of declines, lateral and vertical development, as well as capital non-sustaining costs.<br><br>Open pit mining requires life of mine strip ratios to be determined and continuously reviewed as production progresses. Costs are capitalized to the extent they relate to expenditures incurred in creating future access to ore rather than current period inventory.<br><br>Amortisation is applied to each area of interest using the expected contained ounces based on the most recent life of mine information. Amortisation rates are updated when estimated life of mine ounces are revised. | For the allocation of mining costs our procedures included, but were not limited to:<br>▪ obtaining an understanding and testing of the key controls management has in place in relation to the capitalisation of underground mining expenditure and the production of physical underground mining data;<br>▪ assessing the appropriateness of the allocation of costs between operating and capital expenditure based on the nature of the underlying activity, considering the operating effectiveness of relevant internal controls over cost allocations, and recalculating the allocation based on the underlying physical data;<br>▪ assessed the deferred stripping models for open pit mines by agreeing monthly strip ratios to underlying physical data and performing a comparison to life of area strip ratios based on most recent life of mine information; and<br>▪ checking the mathematical accuracy of the modelling.<br><br>For the Group's unit of production amortisation calculations our procedures included, but were not limited to:<br>▪ obtaining an understanding of the key controls management has in place in relation to the calculation of the unit of production amortisation rate;<br>▪ testing the mathematical accuracy of the rates applied; and<br>▪ agreeing the inputs to source documentation, including:<br>– the allocation of contained ounces to the specific mine properties;<br>– the contained ounces to the applicable reserves and resources statement; and<br>– the anticipated development expenditure to life of mine models.<br><br>These were also assessed for reasonableness compared to historical development expenditure for the respective operations.<br><br>We also assessed the adequacy of the disclosures included in Note 9 (d) to the financial statements. |

## **Independent Auditor's report to the members** (continued)

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| Rehabilitation provision | |
|---|---|
| As at 30 June 2022 a rehabilitation provision of $651.5 million has been recognised as disclosed in Note 9 (g).<br>Judgement is required in the determination of the rehabilitation provision, including:<br>▪ assumptions relating to the manner in which rehabilitation will be undertaken;<br>▪ scope and quantum of costs, and timing of the rehabilitation activities; and<br>▪ the determination of appropriate inflation and discount rates to be adopted. | Our procedures included, but were not limited to:<br>▪ obtaining an understanding of the key controls management has in place to estimate the rehabilitation provision;<br>▪ agreeing rehabilitation cost estimates to underlying support, including where applicable, reports from external experts;<br>▪ holding discussions with external experts to understand and challenge the reasonableness of key assumptions and estimates used in the underlying cost estimates;<br>▪ assessing the independence, competence and objectivity of the experts used by management;<br>▪ confirming the closure and related rehabilitation dates are consistent with the latest of life of mine estimates;<br>▪ comparing the inflation and discount rates adopted to available market information; and<br>▪ testing the mathematical accuracy of the rehabilitation provision model.<br><br>We also assessed the adequacy of the disclosures included in Note 9 (g) to the financial statements. |

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.







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*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Independent Auditor's report to the members** (continued)

**Deloitte.**

Report on the Remuneration Report

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in 66 to 101 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Northern Star Resources Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D K Andrews
Partner
Chartered Accountants

Perth, 28 August 2022





Visible gold found at Jundee, Yandal Production Centre, Western Australia



NORTHERN STAR RESOURCES LIMITED ANNUAL REPORT 2022

# Corporate Information

# Shareholder Information

**Table 24** Top 20 holders of ordinary shares at 25 August 2022

| # | Name | Shares | % Issued capital |
|---|---|---|---|
| 1 | HSBC Custody Nominees (Australia) Limited | 479,917,699 | 41.19 |
| 2 | J P Morgan Nominees Australia Pty Limited | 197,644,127 | 16.96 |
| 3 | Citicorp Nominees Pty Limited | 109,181,049 | 9.37 |
| 4 | BNP Paribas Noms Pty Ltd <DRP> | 41,306,457 | 3.55 |
| 5 | National Nominees Limited | 35,111,829 | 3.01 |
| 6 | Citicorp Nominees Pty Limited <Colonial First State Inv A/C> | 17,865,307 | 1.53 |
| 7 | BNP Paribas Nominees Pty Ltd <Agency Lending Drp A/C> | 13,633,368 | 1.17 |
| 8 | Wroxby Pty Limited | 10,843,278 | 0.93 |
| 9 | HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C> | 7,664,224 | 0.66 |
| 10 | BNP Paribas Nominees Pty Ltd acf Clearstream | 5,316,032 | 0.46 |
| 11 | HSBC Custody Nominees (Australia) Limited - A/C 2 | 3,288,119 | 0.28 |
| 12 | BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP> | 3,213,838 | 0.28 |
| 13 | Pacific Custodians Pty Limited <NST Employee Sub Register> | 2,490,642 | 0.21 |
| 14 | National Nominees Limited <DB A/C> | 2,306,062 | 0.20 |
| 15 | Pacific Custodians Pty Limited <NST Employee Share Tst> | 2,262,314 | 0.19 |
| 16 | Netwealth Investments Limited <Wrap Services A/C> | 2,214,102 | 0.19 |
| 17 | BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C> | 1,899,415 | 0.16 |
| 18 | UBS Nominees Pty Ltd | 1,606,522 | 0.14 |
| 19 | Mutual Trust Pty Ltd | 1,517,594 | 0.13 |
| 20 | Mr Hendricus Petrus Indrisie | 1,400,000 | 0.12 |
| **Total Top 20 holders** | | **940,681,978** | **80.74** |
| **Balance of register** | | **224,444,244** | **19.26** |
| **Total register** | | **1,165,126,222** | **100.00** |

**Table 25** Distribution of ordinary shares at 25 August 2022

| Holding | Shares | % Shares | Holders | % Holders |
|---|---|---|---|---|
| 1-1,000 | 11,820,236 | 1.01 | 28,336 | 51.78 |
| 1,001-5,000 | 45,769,241 | 3.93 | 18,999 | 34.72 |
| 5,001-10,000 | 28,912,638 | 2.48 | 3,960 | 7.24 |
| 10,001-100,000 | 76,023,530 | 6.52 | 3,195 | 5.84 |
| 100,001 and over | 1,002,600,577 | 86.05 | 236 | 0.43 |
| **Total** | **1,165,126,222** | **100.00** | **54,726** | **100.00** |

There were no holders of less than a marketable parcel of $500 based at closing market price at 25 August 2022.







**Table 26** Substantial holders at 5 August 2022 (latest available)

| # | Name | Share | % Issued capital |
|---|---|---|---|
| 1 | BlackRock Inc | 139,490,313 | 11.97 |
| 2 | VanEck Inc | 77,675,122 | 6.75 |

**Table 27** Restricted securities at 25 August 2022

| Class | Number | Date escrow period ends |
|---|---|---|
| Shares[1] | 40,170 | 26 June 2023 |
| Shares[2] | 140,668 | 18 June 2024 |
| Shares[3] | 229,078 | 24 June 2025 |
| Shares[4] | 171,452 | 30 June 2023 |
| Shares[5] | 35,000 | 5 July 2023 |

**Table 28** Unquoted equity securities at 25 August 2022

| Class | Number[6] | Holders |
|---|---|---|
| Unvested Performance Rights issued under the FY20 Share Plan (NSTAA) | 4,356,950 | 138 |

## Voting rights

The voting rights attaching to each class of equity securities are set out below:

**Ordinary shares:**[7]
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Performance Rights:**
No voting rights.

**NED Share Rights:**
No voting rights.

## On-market buy-back

The Board approved an on-market share buy-back of up to $300 million to be completed over the 12 month period from 15 September 2022. See Note 19 to the financial statements for further details.

1. Shares issued under the Employee Share Plan Rules No.3 (approved in June 2017) on 26 June 2020.
2. Shares issued under the Employee Share Plan Rules No.3 (approved in June 2017) on 18 June 2021.
3. Shares issued under the Employee Share Plan Rules No.3 (approved in June 2017) on 24 June 2022.
4. Shares issued to Saracen employees as part of the merger on 12 February 2021 subject to holding lock.
5. Share issued under the FY20 Retention Share Plan on 12 July 2021.
6. Number of unissued ordinary shares under the Performance Rights. No person holds 20% or more of these securities.
7. Zero percent of the Company's issued share capital is composed of non-voting shares.

# Glossary

**ASX**
Australian Securities Exchange Ltd

**ASX Corporate Governance Principles and Recommendations**
Principles and Recommendations (4th edition) of the ASX Corporate Governance Council on the corporate governance practices to be adopted by ASX listed entities and which are designed to promote investor confidence and to assist listed entities to meet shareholder expectations

**Au**
The chemical symbol for gold

**Auditor**
The auditor of the Company duly appointed under the *Corporations Act 2001* (Cth)

**Australian Accounting Standards**
Australian Accounting Standards are developed, issued and maintained by the Australian Accounting Standards Board, an Australian Government agency under the Australian Securities and Investments Commission Act 2001 (Cth)

**B or bn**
Billion

**Board**
Board of Directors

**C$**
Canadian dollars

**Cash Earnings**
Underlying EBITDA less net interest, tax and sustaining capital

**CEO**
Chief Executive Officer

**Company**
Northern Star Resources Limited ABN 43 092 832 892

**contractors**
individuals who are employed by other companies, or, other companies, who provide services to the Group to support its operations

**Corporations Act**
*Corporations Act 2001* (Cth)

**Core Values**
Northern Star's Core Values of Safety, Teamwork, Accountability, Respect and Results

**Director**
A director of the Company duly appointed under the Corporations Act

**EAP**
Employee assistance providers(s)

**employees**
Total number of employees of the Group including permanent, fixed term and part-time. Does not include contractors

**EPS**
Earnings per Share

**ESG**
Environmental, Social & Governance

**ESR**
Environment & Social Responsibility

**ESS**
Environmental, Social & Safety

**FY20**
Financial year ended 30 June 2020

**FY21**
Financial year ended 30 June 2021

**FY22**
Financial year ended 30 June 2022

**FY23**
Financial year ending 30 June 2023

**GHG**
Greenhouse gases

**gpt**
Grams per tonne

**Group**
Northern Star Resources Limited and all of its wholly owned subsidiaries as at 30 June 2022

**Incident**
means the partial or whole damage or destruction of an area of cultural or heritage significance without Traditional Owner consent and/or required legal or regulatory approvals

**Indicated Mineral Resource**
As defined in the JORC Code

**Inferred Mineral Resource**
As defined in the JORC Code

**International Financial Reporting Standards (IFRS)**
A single set of accounting standards, developed and maintained by the IASB with the intention of those standards being capable of being applied on a globally consistent basis

**JORC Code**
Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves 2012 Edition, prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia

**K or k**
Thousand

**KCGM**
KCGM means Kalgoorlie Consolidated Gold Mines Pty Ltd, a wholly owned subsidiary of the Company, which operates the Super Pit and Mt Charlotte underground operations in Kalgoorlie, Western Australia

**Key Management Personnel or KMP**
Defined in the Australian Accounting Standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity

**koz**

Thousand ounces

**Kundana Assets**
Refers to the Kundana Operations, a 51% interest in each of the East Kundana Production Joint Venture and the East Kundana Exploration Joint Venture, a 75% interest in the West Kundana Farmin Joint Venture, and the Carbine/ Carnage gold project, that Northern Star sold to Evolution Mining Ltd ABN 74 084 669 036 which completed on 18 August 2021

**LTIFR**
Lost Time Injury Frequency Rate; calculated based on the number of reportable lost time injuries occurring in a workplace per 1 million hours worked

**M or m**
Million

**MD**
Managing Director

**Measured Mineral Resource**
As defined in the JORC Code

**merger**
The merger of Saracen Mineral Holdings Limited ABN 52 009 215 347 and all of its wholly owned subsidiaries with Northern Star by way of Scheme of Arrangement implemented on 12 February 2021

**Mineral Resource or Resource**
As defined in the JORC Code

**Net Zero**
Net Zero refers to achieving a balance between the amount of operational Scope 1 and Scope 2 GHG Emissions produced and those removed.

**Net Zero Ambition**
Our Net Zero Ambition is our ambition to achieve Net Zero by 2050, as expressed in our Climate Change Policy available on our website.

**NPAT**
Net profit after tax

**Northern Star**
Northern Star Resources Limited ABN 43 092 832 892

**NSMS**
Northern Star Mining Services Pty Ltd, a wholly owned subsidiary of the Company, dedicated to underground mining operations

**NST**
Northern Star Resources Limited ABN 43 092 832 892

**Officer**
An officer of the Company defined under the Corporations Act

**Ore Reserve or Reserve**
As defined in the JORC Code

**Performance Rights**
Performance Rights are rights to receive Shares in the future if certain performance hurdles are met

**Probable Ore Reserve**
As defined in the JORC Code

**Proved Ore Reserve**
As defined in the JORC Code

**Quarter or Q**
Financial year quarter, commencing either 1 July, 1 October, I January or 1 April

**Restricted Share**
A Share subject to Share trading restrictions

**SAR**
Saracen Mineral Holdings Limited ABN 52 009 215 347

**SASB**
Sustainability Accounting Standards Board

**Saracen**
Saracen Mineral Holdings Limited ABN 52 009 215 347 and all of its wholly owned subsidiaries, as acquired by Northern Star by way of Scheme of Arrangement implemented on 12 February 2021

**Scope 1 Emissions**
Emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level

**Scope 2 Emissions**
Emissions released to the atmosphere from the indirect consumption of an energy commodity

**Scope 3 Emissions**
Indirect greenhouse gas emissions other than Scope 2 emissions that are generated in the wider economy. They occur as a consequence of the activities of a facility, but from sources not owned or controlled by that facility's business

**Share**
Fully paid ordinary share in Northern Star Resources Limited

**shareholder**
A shareholder of Northern Star Resources Limited

**SKO**
South Kalgoorlie Operations

**stakeholders**
An individual, group or organisation that is impacted by the Company, or has an impact on the Company. Examples of stakeholders are investors, employees, suppliers and local communities

**STARR**
Our Core Values of Safety, Teamwork, Accountability, Respect and Results

**Suppliers**
External companies engaged by Northern Star to supply goods to the operations

**TCFD**
Task Force on Climate-related Financial Disclosures

**TRIFR**
Total Reportable Injury Frequency Rate; calculated according to the number of reportable work - related injuries or illness for each one million hours worked

**Underlying EBITDA**
Net profit after tax, before interest, tax depreciation and amortisation adjusted for specific items

**$**
Australian dollars, unless the context says otherwise. All A$ to $US currency conversions used in this Annual Report are at $0.70

# Corporate Information

**Northern Star Resources Limited**
ABN: 43 092 832 892

## Directors (as at 30 June 2022)

| | |
|---|---|
| **Michael Chaney AO** | Chairman |
| **Stuart Tonkin** | Managing Director & CEO |
| **John Fitzgerald** | Non-Executive Director |
| **Mary Hackett*** | Non-Executive Director |
| **Nick Cernotta** | Non-Executive Director |
| **Sally Langer** | Non-Executive Director |
| **John Richards** | Non-Executive Director |
| **Sharon Warburton** | Non-Executive Director |

*Retired from Board on 22 August 2022

## Company Secretary

| | |
|---|---|
| **Hilary Macdonald** | Chief Legal Officer & Company Secretary |

## Registered Office & Principal Place of Business

Level 1, 388 Hay Street Subiaco WA 6008 Australia
Telephone: +61 8 6188 2100
Facsimile: +61 8 6188 2111
Website: www.nsrltd.com
Email: info@nsrltd.com

## Share Registry

**Link Market Services Limited**
Level 12, QV1 Building, 250 St Georges Terrace Perth WA 6000 Australia
Telephone: +61 1300 554 474
Website: www.linkmarketservices.com.au

## Auditors

**Deloitte Touche Tohmatsu**
Brookfield Place, Tower 2, 123 St Georges Terrace Perth WA 6000 Australia

## Registration & Listing

Incorporated in Western Australia on 12 May 2000
Quoted on the Official List of the Australian Securities Exchange (ASX: NST)

## Securities Exchange

**ASX Limited**
Level 40, Central Park, 152-158 St Georges Terrace Perth WA 6000 Australia

## ASX Code

NST

Julius Drake-Brockman, Open Pit Manager at Carosue Dam, Kalgoorlie Production Centre, Western Australia


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